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NEWS SUMMARY

GENERAL

Commons television support grows

MPs gave an indication for the first time that they are prepared to accept the televising of Parliament. They have previously rejected three movs toe allow television.

A private members' Bill introduced by Labour MP for Grimsby Austin Mitchell was accepted on the casting vote of Deputy Speaker Bernard Weatherhil, after voting resulted in a 201-201 tie.

But despite the initail success, the Bill is unlikely to get a Second Reading f roit now goes to the end of a long queue of private members' legislation.

Iran threat

Iran's Foreign Minister Sadegh Qotbzadeh condemned Canada for helping four U.S. diplomats and two wives escape from Iran, and said Canada would pay for its action "somewhere in the world, sooner or later." Page 4; Editorial Comment Page 18

Callaghan to stay

James Callaghan made it clear that he had no intention of resigning as Labour Party leader before autumn at the earliest.

BBC settlement

BBC-2's Newsnight programme was due to make its first appearance last night following a settlement of the dispute which prevented its launch on Monday.

Air fares bid

British Airways has asked the Civil Aviation Authority for approval to increase domestic fares by between 12 and 30 per cent from April 1 due to heavy rises in airport and fuel bills.

Arms cache

Ministry of Defence investigators were questioning a man after a cache of explosives and arms were found at the Reading home of an employee of the Royal Aircraft Establishment, at Farnborough, Hants. The Ministry dismissed reports that the cache included guided missiles.

Olympics cash

The British Olympic Association is more than £400,000 short of the £1m it needs to send full-strength teams to Moscow. In Tokyo, Japan Government officials expect a boycott of the Games because the country feels they cannot be held under normal conditions.

Summit delayed

The proposed summit meeting between West German Chancellor Helmudt Schmidt and German state and party President Erich Honecker of East Germany will no longer take place this spring following an East German request to remain flexible on the date. Back Page; Moscow seeks to turn away Third World wrath, Page 2

Nkomo appeal

Patriotic Front leader Joshua Nkomo appealed to all parties to the Rhodesian ceasefire to end the violence which has breached the Lancaster House agreements. Page 3; Challenge facing Rhodesian economy, Page 18

Briefly ...

Nigel Olney was making a good recovery at a Cambridge hospital after his heart transplant on Tuesday.

Prince Charles is to visit Canada from March 30 to April 3.

Several arrests have been made following last week's guerrilla attack on a Pretoria bank in which five people died.

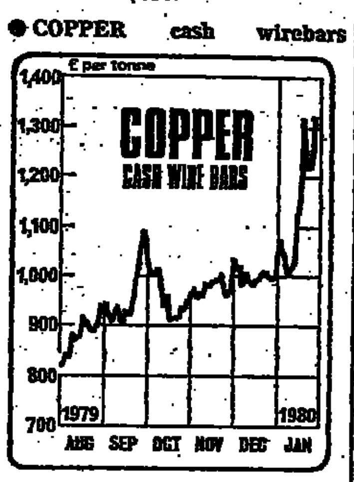
BUSINESS

Sterling firm; Equities off 6.4

● STERLING closed at $2.2620, a rise of one cent. Its trade weighted index was 71.7 (71.4). DOLLAR attracted little interest and closed unchanged at DM1.730. Its index was also unchanged at 85.0.

● GOLD rose $20 in London, to close at $690.

● COPPER cash wirebars



gained £21 to £1,321, the highest level since 1974.

● GILTS became uncertain after early gains. The Government Securities index edged up by 0.04 to 67.69.

● EQUITIES fell, the FT 30-share index closing 6.4 down at 457.6, after being 1.7 up earlier.

● GOLDS rose further on increased bullion prices, and the Gold Mines index closed 15.9 up at 350.5.

● WALL STREET was up 1.97 at 876.37 just before the close.

● SPOT price of naphtha, the raw material used to make petrochemicals and petrol, has started to drop for the first time in more than a year. Back Page

● PRESIDENT CARTER predicts a mild first-half recession in the U.S. economy, with growth resuming in the fourth quarter. Inflation should abate to a 10.4 per cent annual rate. Page 4

BUILDING society net receipts could approach £300m this month, against December's £161m, according to the chief general manager of the Woolwich. Page 7

● BL's share of the new car market sank to 15.4 per cent, its lowest level ever, in the first 29 days of January, but the group is still optimistic about its "buy British" campaign. Page 6

● POST OFFICE profit target is likely to be raised by about £70m a year. Back Page

LABOUR

● LARGE numbers of men have left the labour force, while the number of employed and unemployed women has risen sharply, Department of Employment figures show. Back Page

● CLOSED SHOPS now cover 5.2m employees—23 per cent of Britain's workforce—according to a Department of Employment survey. Page 8

COMPANIES

● CURRENCY movements affected BAT Industries results for the 12 months to September, and pre-tax profits were down by £5m to £428m. Page 20 and Lex, Back Page

● INCLUSION of Allied Retailers boosted Associated Dairies first-half results. Pre-tax profits were up from £15.09m to £22.54m. Page 20 and Lex, Back Page

● MOET-HENNESSY, the champagne, cognac and perfume group, reports an increase in turnover last year from FFr 1.92 bn (£209.7m) to FFr 2.29bn (£250.1m). Page 23

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Arbuthnot Latham	218	+ 11
Blockleys	68	+ 6
Blue Circle	292	+ 4
Caffyns	172	+ 7
Catalin	65	+ 8
Debenhams	84	+ 4
Farnell Elec.	272	+ 8
Gates (F. G.)	49	+ 4
Hill Samuel	88	+ 6
IDC	175	+ 15
LWT A	119	+ 10
Lon. & Prov. Shop	275	+ 11
Pearl Assurance	288	+ 12
Pratt (F.)	62	+ 10
Sharpe and Fisher	43	+ 4
Sothebys	470	+ 8
Stndrd. Telephones	256	+ 10
Stanley (A. G.)	76	+ 5
Stewart Plastics	86	+ 5
Imp. Cont. Gas	710	+ 23
Hidong	80	+ 8
Malakoff	104	+ 10
Buffels	£17¼	+ 1¼
Durban Deep	£14¼	+ 1¼
Mangula (MTD)	135	+ 10
Minorco	315	+ 20
Northgate Expln.	575	+ 85
Palabora	755	+ 65
Venterspost	663	+ 43
Vlakfontein	164	+ 22
West Driefontein	£37¼	+ 2
FALLS		
Assed. Dairies	172	− 4
BAT Inds.	262	− 9
British Land	70	− 3
Davenports' Brwry.	148	− 7
GEC	354	− 6
Reed Intnl.	200	− 6
Vickers	131	− 5
CCP North Sea	320	− 12
Siebens (UK)	650	− 40

EEC Commission endorses special UK spending fund

BY JOHN WYLES IN BRUSSELS & DAVID TONGE IN LONDON

THE European Commission yesterday endorsed a plan to set up a special fund for spending in the UK, thus setting the stage for a resumption of the political battle over Britain's contributions to the EEC budget.

The plan will go forward to the member-States for further scrutiny of what remains a highly contentious issue.

Mrs. Margaret Thatcher indicated a new flexibility which could help soften the sharp differences her more rigid approach at the EEC Summit in Dublin provoked.

After talks with Sig. Francesco Cossiga, the Italian Prime Minister, and current President of the EEC Council of Ministers, Mrs. Thatcher appeared to soften the Government's previous demands for a final settlement of the problem at the next summit, due in Brussels by the end of March.

Mrs. Thatcher is still looking for a special heads of government meeting to resolve the question of Britain's budgetary contribution, but is prepared to see this take place in March rather than this month.

Given the other international problems facing the EEC, she would like to keep this special meeting separate from the March summit.

Mrs. Thatcher said that the problem must be resolved in the financial year starting in April 1980: "We cannot wait beyond that time. We must have a substantial resolution of the problem during that year"

"There really is quite a lot of time to get it right."

The British hope is that an agreement in principle on the methods of dealing with the problem will be sorted out in March. There seems to be some willingness to allow some details to be left unsettled provided they are not on major issues.

Essentially the proposals adopted by the Commission yesterday will be the framework within which the Nine will seek to reduce the UK's expected £1.2bn net contribution to the EEC budget this year.

First exchanges between EEC members will be next week, when the Commission's plan comes under scrutiny of their

Continued Back Page

Sig. Cossiga and Mrs. Thatcher after their talks.

Return to work pleases private steel makers

BY OUR INDUSTRIAL STAFF

THE British Independent Steel Producers' Association said last night it was pleased at the rate at which employees were reporting at the plants of its 100 members, although thousands of steelworkers in the private sector did not return to work yesterday.

The Iron and Steel Trades Confederation said it expected the majority of its private sector members to be back at work today as their formal instructions arrived. Workers at two or three of the bigger companies had already obeyed the instruction.

Following the ISTC's decision on Tuesday to comply with the Court of Appeal's ruling against an extension of the steel strike into the private sector there was a general return yesterday in the North West and South Yorkshire.

South Wales private sector workers were showing no haste in returning to work at their four private sector steel plants in their region.

Private sector steel workers in the Midlands were last night offered an improved 13 per cent pay increase, following union assurances that they would return to work this week, or by Monday at the latest.

Letters instructing about 10,000 steelmen in the area to return to work have already been sent to regional secretaries of the ISTC.

According to Mr. John Standish, chairman of the Midlands Iron and Steel Wages Board, this was an important factor in the improved offer.

The employers originally proposed an 11 per cent increase, against the union's claim of 22 per cent which still stands. Mr. Standish said that the goodwill demonstrated by the union had encouraged employers to improve their offer.

Mr. Bill Sirs, general secretary of the ISTC, said: "The British Steel Corporation could have learned some lessons from the way this has been handled. In the circumstances, we recommend a return to work.

"We have not accepted the offer but it is an improvement which has enabled us to relieve the tension at works level.

In Newport, Gwent steelworkers at Alpha Steel voted to continue the strike because the union's decision applied only to members of the British Iron and Steel Producers' Association of which Alpha is not a member.

Strike effects, Page 6
EEC grants, Page 2

UK Eurobond issue hits snag

BY FRANCIS GHILES AND MICHAEL LAFFERTY

FINANCE FOR INDUSTRY—the City lending institution in which the Bank of England has a 15 per cent stake—is being hindered in raising funds through a Eurosterling bond issue because of the complications of setting up an offshore financing subsidiary in the Netherlands.

It has been forced into this peculiar position by a recent change of practice at the Inland Revenue.

The Revenue's changed position, which only became public earlier this month, means that it is no longer practicable for British companies to make new Eurobond issues direct from the UK. Companies are now required to pay interest on such issues after deduction of tax. Bond issues in this form would therefore prove unattractive to Eurobond investors who are able to receive interest in gross form from all other Eurobond issuers.

The Inland Revenue made this change as a direct result of the abolition of UK exchange controls last year, in order to counter the possibility of UK residents evading tax by acquiring the bonds and failing to declare the interest received.

Most companies wishing to tap the Eurobond market are now likely to set up special offshore subsidiaries to get round the Revenue ruling. It appears that FFI was unprepared for the change and had planned to arrange a new direct £20m sterling Eurobond issue this month. For the past few weeks it has been seekin gapproval from the Dutch authorities to set up an offshore subsidiary in the Netherlands.

Advisers handling the affair say they have no idea when the necessary formalities—ranging from the formation and registration of a company, the translation of its statutes, and the granting of exchange control permission—will be completed. They fear that by the time arrangements are complete it may no longer be attractive to launch a sterling-dominated bond.

FFI has been one of the main users of the Eurosterling bond market over the past two years. Since December, 1977, it has made four sterling bond issues to raise total funds so far of £77m.

It will still be possible for UK investors to evade tax of UK bond issues made through offshore subsidiaries simply by ensuring that they collect their dividends through non-British banks.

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1979 CURRENT ACCOUNT PLUNGES INTO THE RED

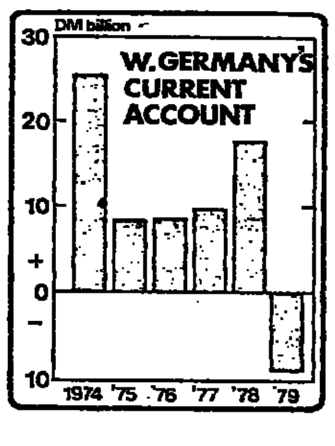
West German deficit DM9bn

BY JONATHAN CARR IN BONN

WEST GERMANY had a current account deficit last year of DM 9bn (£2.3bn)—the biggest in its history—and is heading for one twice as large this year.

Preliminary figures issued yesterday by the Federal Statistical Office show the visible trade surplus for 1979 totalled DM 22.5bn — compared with DM 41bn in 1978.

With deductions of DM 31.5bn for services and transfers—such as foreign holidays and payments home by foreign workers here — the current account plunged into the red. In 1978, it registered a DM 17.6bn surplus.



This is only the fourth time in West German history that the current account has not been in surplus. The other occasions were in 1950, 1962 and 1965.

Usually, the country has been able to build up so big a visible trade surplus that it more than covered its usual deficit on invisibles. But last year, while exports by value increased by 10 per cent to DM 314.6bn, imports rose by no less than 20 per cent to DM 292.1bn.

The main reason for this surge in imports was the sharply increased bill for oil and other raw materials. This year, the Government estimates that oil will cost about DM 65bn, equal to about 4 per cent of GNP—compared with an oil bill equal to only 2 per cent of GNP in 1978.

The potential result is a current account deficit for 1980 of about DM 20bn — though there is a large measure of uncertainty over this figure. A year ago, the 1979 current account was still widely expected to be in comfortable surplus again.

The Government and Bundesbank officially hold that by running such deficits, West Germany is greatly contributing to the improved trading performance of other nations. Only two years ago, West Germany was under constant international pressure to boost imports and thus act as a "locomotive for the world economy."

Unofficially, there is some dismay at the size of the deficits now emerging and a feeling that even with its big monetary reserves, the country cannot allow such a situation to persist.

It is also recognised that the existence of the deficit carries major implications for the Deutschemark — which showed a small devaluation in real terms against the currencies of main trading partners last year.

Economic Viewpoint, Page 19
Coal conversion plan, Back Page

Dispute may shut power plant

THE Central Electricity Generating Board yesterday turned down proposals from Cape Contracts to take over insulating work at the £560m Isle of Grain power station in Kent. It now seems likely that work at the site will stop completely by April.

Capes had offered to take over the lagging work of insulating pipes and boilers at the Number One unit at the five unit plant and had come to a working arrangement with the General and Municipal Workers' Union, the laggers' union.

The CEGB told contractors two weeks ago to stop work on two of the five 660 megawatt units. Yesterday, it instructed that work be wound down at the remaining two uncompleted units today.

It has been attempting to put out the lagging contract in the normal commercial manner since December 7. The three major mechanical engineering contractors at the site, General Electric Company, Babcock and Wilcox and Pipework Engineering Developments have been unable to consider the lagging contract because of difficulty in getting union guarantees over the recruitment of laggers.

The only hope, the board now feels, is for the unions at the site to accept the retraining of members of the Sheet Metal Workers union to take over the insulation work.

Mr. Frank Earl, GMWU national officer who set up the agreement with Cape Contracts, said last night he was dumbfounded at the CEGB decision. He claimed the board wanted to close the site because of rising oil costs

News Analysis, Page 8

Gold price rises $20 to $690

BY DAVID MARSH

GOLD rallied again yesterday to close in London at $690 per ounce, $20 up from overnight and $80 above its low point on Monday.

Dealers are predicting that the price has found a basis for the time being at around $650 to $700, with Middle East buying tending to support the price at below these levels. Many Arab investors, particularly government institutions and private individuals in the Gulf States, have significantly increased the proportion of gold in their portfolios in the last two months.

Gold touched a high yesterday of $715 at the opening, following its firmer performance in New York and Hong Kong. Demand was spurred by the latest rise in oil prices and fresh tension over the Tehran hostages.

Sterling closed 1 cent up at $2.2620, with its trade weighted index rising to 71.7 from 71.4. A certain amount of reserve diversification by the oil States into the pound is believed to have taken place in the past few weeks.

Sir Geoffrey Howe, the Chancellor of the Exchequer, confirmed in London that Britain opposes a rebuilding of sterling's reserve currency role.

£ in New York

—	Jan 29	Previous
Spot	$2.2640-2660	$2.2530-2545
1 mth	0.58-0.53 dis	0.65-0.58 dis
3 mths	1.71-1.66 dis	1.63-1.58 dis
12 mths	5.55-5.40 dis	5.55-5.20 dis

Bonn's economic gloom lifts slightly

BY JONATHAN CARR IN BONN

WEST GERMANY is heading for slower economic growth this year than last, combined with higher inflation and the biggest current account deficit in its history.

The Government's economic report, approved yesterday by the Cabinet, envisages real economic growth of at least 2.5 per cent, compared with 4.4 per cent last year, and an inflation rate of about 4.5 per cent, against 4.1 per cent before.

On the face of it these figures seem to amount to grim news for the Bonn coalition as it enters a general election year under pressure from an increasingly adroit opposition. But the Government can still point to a performance on growth and prices better than that of most of West Germany's trading partners. No major increase in unemployment is expected and private sector investment is likely to remain strong.

Further, the report as approved by the Government is a little more positive than the first draft circulating in Bonn for some weeks—reflecting some lifting of the initial economic gloom which followed the latest oil price increases.

The Government now expects growth in member countries of the Organisation for Economic Cooperation and Development (OECD) to be strong enough to mean a further boost to West German export business. It is confirmed in this judgment by the continuing absence of recession in the United States, and it feels that Washington's announcement of increased defence expenditure now makes a marked U.S. economic downturn still less likely.

The outlook is for combined growth in the export of goods and services at current prices of 9.5-10.5 per cent this year, while imports are likely to increase by 13-14 per cent.

The balance between these exports and imports—the so-called "external component"—will thus drop to around zero compared with a surplus of more than DM 14bn (£3.6bn) in 1979. Once the country's traditional deficit on transfers (such as payments home by foreign workers here) has been deducted, the outcome is likely to be a current account deficit in 1980 of close to DM 20bn compared with DM 9bn last year.

Because of these deficits, caused primarily by the higher oil price, Ministers and the Bundesbank have urgently appealed for moderation in the current wage bargaining round. Many of the projections in the economic report depend on how far this call is followed.

The report suggests that wages and salaries should rise by about 6.5 per cent this year, implying average settlements in the wages round (including fringe benefits) of about 7 per cent.

The fact that Count Otto Lambsdorff, the Economics Minister, has noted that the wages projection exists in the report has brought irate comments from employers about interference in the bargaining. While some trade unions are demanding double figure increases, most employers are insisting they can pay less than 5 per cent.

WEST GERMAN ECONOMIC DEVELOPMENT

	1976	1977	1978	1979*	1980†
	(percentages)				
GNP growth (real terms)	+5.2	+2.7	+3.2	+4.4	At least +2.5
Unemployment rate‡	4.6	4.5	4.3	3.8	3.5—4.0
Fixed asset investment	8.7	+7.4	+11.0	+15.2	+12—+13
Cost of living	+4.5	+3.8	+2.6	+4.1	About +4.5
Wages and salaries per employed person	+7.0	+6.9	+5.2	+5.4	About +6.5
External component DM bn§	+28.6	+29.5	+37.0	+14.2	0—+4

* Preliminary figures
† Government projection
‡ Unemployed as a percentage of the dependent labour force
§ Balance of goods and services transactions with rest of world

New group to enter Lisbon poll

BY JIMMY BURNS IN LISBON

ONE OF the military leaders behind Portugal's 1974 revolution, Sr. Otelo Saraiva de Carvalho, has launched a new political movement of the left to fight next October's parliamentary elections. He has also presented himself as a candidate for the presidential elections in 1981.

Sr. Otelo said that the movement, the Popular Unity Force (FUP) would be a "third force" to the left of the Socialist and Communist parties, having as its ultimate aim the establishment of workers' power in Portugal. He accused the official left wing parties of not doing enough to fight the resurgence of capitalism and of having contributed to the election victory in December of the centre right Democratic Alliance.

Sr. Otelo was operational commander of the 1974 military coup and was subsequently implicated in an abortive civilian and military left wing rising, put down by President Antonio Ramalho Eanes. Sr. Otelo was compulsorily retired as a major after a brief period in prison, but was exempted from further charges under a general amnesty last year.

Sr. Otelo's timing suggests that he aims to capitalise on the confusion surrounding the political future of President Eanes. He also expects to draw strength from the divisions within the Socialist party

The Government meanwhile has announced a 16 per cent average increase in the price of petrol and substantial rises in the prices of other oil-derived fuels. The move in in reaction to recent oil price increases. Portugal's oil import bill this year is expected to double to $2.4bn (£1.1bn).

Revenue from domestic fuel sales is used by the Government to support the state-controlled food subsidy fund, which controls increases in the prices of essential foodstuffs. Nevertheless, yesterday's announcement underlines the difficulties faced by the Government in its fight against inflation this year. The aim is to reduce the annual rate from 24 per cent to 20 per cent.

Energy prices have been artificially low for several months. The Government, however, is believed to have taken the initiative on the assumption that the politically adverse effects of yesterday's decision may be watered down before next October's general election.

Maj. Otelo: looking for come-back.

Overture by Spanish union fails

BY ROBERT GRAHAM IN MADRID

A MOVE by the Communist-controlled trade union, the Confederation of Workers Commissions, to heal the serious rift with its rival, the Socialist General Workers Union, has been given a cool reception. The attempt at reconciliation was made this week when Sr. Marcelino Camacho, the head of the Confederation, proposed a formal meeting

The proposal was contained in a letter which underlined that the union split over wage negotiations and strategy had reached a dangerous level.

Sr. Nicola Redondo, the leader of the General Workers, issued a statement rejecting the overture. He said the Confederation, which has the larger number of affiliates, lacked coherency and was internally divided. In particular, he objected to the way the Confederation and the Communist party was seeking to "mix the worker movement with that of the student movement."

There are a series of national strikes this week in the universities

Muddle is explained over steel aid for UK

By Giles Merritt in Brussels

THE ROW between Brussels and London over whether or not Britain has failed to apply for EEC steel aid cooled yesterday with the realisation that it is not so much a dispute as a misunderstanding.

Not to put too fine a point on it, it has been a European muddle whose only significance appears to be that a communications gap exists between the European Commission and the British Government.

The tangled tale of Britain's alleged backwardness in asking for EEC finance for redundant steelworkers, which on Tuesday drew a stern rebuttal from Mrs. Margaret Thatcher, the Prime Minister, in the House of Commons, stems from the uncertain status of a British Government letter written to a commission official on December 12.

It stems, too, from the official's failure to mention the letter to his superiors in the Commission even after Mr. Henk Vredeling, the Social Affairs Commissioner, had told the European Parliament on January 14 that the British Government had not been in touch over EEC steel aid.

The facts, which officials now ruefully concede could easily have been established, are as follows:

On December 11 last year, the British Steel Corporation announced an overall target of 52,000-53,000 redundancies. On December 12, a senior official of the Department of Industry wrote to the relevant commission department to give warning that during the 1980-81 financial year there would be 19,900 redundancies.

Although the timing of job losses was still being discussed with the trade unions, the letter added, Britain would be applying for the £22m it was entitled to as an EEC contribution to the total £48m cost of "re-adaptation" of those 19,900 steelworkers.

Technically, Mr. Vredeling has therefore been correct in saying that no formal application has been made. Nor is any likely until the steel strike in Britain is resolved and talks with the unions resume. Britain stands to lose nothing from this delay, however, for the EEC's £22m is in any case only reclaimable on funds that Britain must first spend.

The point over which the British Government has been guilty of neglect appears to be a general failure to keep the commission abreast of developments.

Finland forecasts strong growth despite world inflation pressure

BY LANCE KEYWORTH IN HELSINKI

THE FINNISH economy experienced virtually boom conditions in 1979 and the outlook for 1980 is good compared with the average forecasts for the Organisation for Economic Co-operation and Development (OECD) countries. This emerged clearly from the press conference given by the Ministry of Finance, Board of Customs, Central Statistical Office and Bank of Finland.

The figures presented are preliminary, but the final outcome is likely to be better

Total production grew in 1979 by 6.5 per cent—the final figure will probably be 7 per cent. The growth forecast for 1980 is 4.5 per cent, and even this may be exceeded.

The main reason why the Finnish economy is doing so well is the time lag in the impact of external factors. Present growth rates are expected to be maintained through the first half of 1980, after which they will taper off.

The boom has been export-led, though imports have increased at a faster pace. The volume increases in 1979 were 9 per cent for exports and 17 per cent for imports. There was a trade deficit of FM 615m (£73.6m), compared with a surplus of FM 2.9bn in 1978. The predictions for 1980 are a volume increase of 6 per cent in exports and 9 per cent in imports, resulting in a trade deficit of close on FM 5bn. The ministry calculation for 1980 assumes an increase of 45 per cent in crude oil prices and a 9 per cent rise in workers' nominal earnings.

Two separate assessments of the Finnish economy show an enviable growth rate by the standards of industrialised countries. But the Finns have yet to feel the full effects of international oil price rises and inflationary forces at home.

New wage agreements should be signed by the end of February when the current labour contracts run out. The unions want the Government to sit at the negotiating table again, and have demanded a further revaluation of the Finnish mark to counter imported inflation and an index clause in the wage contracts.

There are two major clouds on the economic scene. One is the increasing pace of inflation. The rate has been held to below 8 per cent for two consecutive years, but the forecast for 1980 is 8.5 per cent, and inflation has first priority on the government's working agenda.

The other is unemployment. It was reduced to 6.2 per cent in 1979, against a target of 5 per cent, and is expected to increase somewhat in 1980.

The continued expansion of private investment will help to keep unemployment in check. The Ministry of Finance forecast for 1980 is an increase of 8 per cent, while the Bank of Finland's recent investment inquiry foresees an expansion of industrial investment nearing 10 per cent.

OECD warns on wage increases

BY DAVID WHITE IN PARIS

THE FINNISH authorities will have to impress on wage negotiators the need for moderation in their forthcoming national agreement, the Organisation for Economic Co-operation and Development says in its latest report. The warning is made more urgent by the inflationary impact of recent oil price increases.

The OECD says there is "a clear risk" that wages will accelerate after sluggish growth in recent years and after a profit recovery in the country's export industries.

The oil price increases have worsened the prospects for inflation which was already expected under the OECD's original projections to increase to 9.9 per cent this year from 7.5 per cent in 1979.

A similar deterioration is expected in the current account of the balance of payment which, before the oil price decisions, was expected to move into a deficit of about $700m after keeping roughly in balance last year with a narrow surplus of about $100m.

Finnish wood-based products are expected to lose some of their market share because of increased competition .. and capacity shortages in parts of the forestry industry.

The impact of more expensive oil on the trade balance will be felt both directly and through dampened demand from Finland's trading partners, the report says. Increased exports to east bloc countries will not be enough to offset a slowdown in the country's western markets.

The increase in gross domestic product was originally put at 4.4 per cent in 1980, which although down from last year's 7.2 per cent would have been one of the highest growth rates in the OECD area.

Credit change urged in Norway

BY FAY GJESTER IN OSLO

NORWAY should adopt a more flexible interest rate policy, allowing the cost of most types of credit to vary with supply and demand. That is one of the main recommendations of a Government-appointed committee which has been studying the issue.

The committee's report, presented to the Finance Ministry yesterday, is expected to provide much of the background for a White Paper on credit policy which will be tabled in the spring.

Since the Second World war, successive Norwegian Governments mostly Labour, have kept interest rates low. This policy was amended slightly in December 1977, when the Finance Ministry relaxed its understanding with the banks and allowed somewhat higher rates on advances and deposits, as part of a drive to curb consumption and encourage savings. Even then, it said that regulation would be reimposed if rates rose too sharply.

Nine months later the banks' freedom of manoeuvre was again restricted temporarily by the imposition of a 15-month prices and incomes freeze, which prevented them from charging higher rates for advances.

The 15-member committee, headed by the director of the Central Statistical Bureau, Mr. Petter Jakob Bjerve, included politicians, civil servants, trade unionists, industrialists and bankers. Its recommendations are unanimous.

Why France tries to keep detente's flickering flame alight

BY ROBERT MAUTHNER IN PARIS

FRANCE, which has the reputation of being the maverick of the western alliance, has once again been criticised for dragging its feet in a major international crisis affecting the relationship between the Western and Eastern blocs.

Its tardiness in reacting officially to the Soviet intervention in Afghanistan, the refusal of the French Government to envisage economic sanctions against Moscow and the rejection of a boycott of the Olympic Games are regarded in Washington and London as a regrettable demonstration of weakness and lack of solidarity.

As a result, the French Government has been criticised more by the Press and public opinion in some of the Western countries and, indeed, in some quarters in France, than it perhaps deserves. For, while it is certainly true that France has adopted an ostensibly less hostile attitude towards the Soviet Union than the U.S. and Britain, it has been as firm as most of its Western partners in condemning the invasion of Afghanistan and the measures taken against Dr. Andrei Sakharov.

France voted both in the United Nations Security Council and the General Assembly for resolutions strongly disapproving of the Soviet action. And it is not often that a French government has employed the word "unacceptable" in an official communique to describe the policies of any other country, least of all one with which it has long had a "privileged relationship."

It is also a rare occurence in France for a communique issued after a top-level bilateral meeting to make it crystal clear that a fundamental disagreement existed between the participants, as was the case after last week's talks between M. Jean Francois-Poncet, the French Foreign Minister, and Mr. Georgi Kornienko, the Soviet Deputy Foreign Minister.

The meeting between M. Francois-Poncet and Mr. Kornienko was polite but chilly. Moreover, the final communiqué, issued unilaterally by France, specified that the French had not received satisfaction on their demand that the Soviet Union should set a timetable for the withdrawal of its troops from Afghanistan.

If the French position is nevertheless judged to be equivocal, it is because the strong verbal condemnation of the Soviet Union has not been matched by practical measures, such as economic reprisals and a suspension of high-level diplomatic and other contacts.

France's reply to this criticism is that the invasion of Afghanistan, however reprehensible, should not be allowed to jeopardise all the progress that has been made in the field of East-West détente over the past 15 years.

The French believe, rightly or wrongly, that the slamming of doors and rattling of sabres can lead only to another prolonged period of cold, if not hot, war. An effort should at least be made by countries which, traditionally, have taken a foreign policy line independent of that of either of the two superpowers, to persuade the Soviet Union that its policies risk striking a death-blow to détente, which would be contrary to everybody's interests.

The lines to Moscow must therefore be kept open, at least for the moment. But the French have added an important rider to what may appear to some other Western governments to be either a very naive or hypocritical position. The Government is on record as stating that its support for East-West détente is not "unconditional" and that positive gestures must be made by Moscow before a climate of international confidence can be restored.

How long France is prepared to wait for these gestures, which must include a withdrawal of Soviet troops from Afghanistan, has not been spelled out. But the Government has made it plain that basic foreign policy conclusions will be drawn sooner or later if Moscow sticks to its present line.

In many ways, therefore, France's position is similar to that of West Germany, though Bonn has indicated that it may be somewhat more flexible than Paris on the subject of economic reprisals. What is certain is that President Giscard d'Estaing is no less anxious than Herr Helmut Schmidt, the West German Chancellor, that the two countries' policies towards the Soviet Union should not diverge too much.

Failing a common European Community stand, because of Britain's close identification with the tough position adopted by the U.S., the Paris-Bonn axis, if it holds, could still bring a great deal of weight to bear on Moscow.

As is always the case when such fundamental issues are at stake, current French policy is motivated by a complex mixture of foreign policy, economic and domestic political considerations. Certainly, the present French political situation hardly lends itself to as radical a departure from traditional positions as the adoption of an openly anti-Soviet policy and a complete alignment on President Jimmy Carter's positions.

M. Giscard d'Estaing faces a presidential election in the spring of 1981 and clearly does not want to rock a boat which has already had to weather some heavy storms. It is not so much the left-wing opposition, but the Gaullists, one of the two mainstays of the governing coalition, that the President has to worry about.

By its unqualified support of the Soviet intervention in Afghanistan, the French Communist party has widened even further the already serious rift with the Socialists, who have roundly condemned Moscow. The disarray of the left can only be to the Government's and President Giscard's advantage. But the position of the Gaullists, who have become increasingly critical of the President and provoked a minor political crisis over the 1980 budget a few weeks ago, is much more ambiguous.

The fact that the Gaullists have joined in the chorus condemning the Soviet Union and applauded loudly when M. Jacques Chaban-Delmas, the president of the National Assembly, cut short his visit to Moscow in protest against the measures taken against Dr. Sakharov, should fool no-one.

The Gaullists look upon themselves as the guardians of French independence, national sovreignty and the policy of East-West detente initiated by their founder, General Charles de Gaulle. Though they have so far refused to join hands with the Left in bringing down the Government, they have made it clear they would vote for a parliamentary censure motion if they felt that the Government no longer respected basic Gaullist principles.

Since these include an independent foreign and defence policy, President Giscard would almost certainly be accused of violating Gaullist precepts if he aligned France too closely on the U.S.

In the present international economic context, there can be little doubt that the maintenance of trade relations with the Soviet Union is another important factor influencing French policy. France has made great efforts over the past decade to develop its trade and technological co-operation with the Communist bloc and the Soviet Union, in particular, and specific trade targets have been set regularly at Franco-Soviet summit meetings.

President Giscard: trying not to rock the boat.

Thus, trade between the two countries tripled between 1975 and 1979 compared with the previous five-year period to about FFr 58bn (£6.3bn). When President Giscard met Mr. Brezhnev, the Soviet leader, in Moscow in April last year, it was agreed that attempts should be made to triple it again between 1980 and 1985.

Though, in 1979, France was still only the Soviet Union's fifth Western supplier and its fourth Western client, its exports showed an impressive jump of more than 42 per cent over the first 10 months to reach FFr 7bn (£765m), compared with a rise of only 29 per cent in imports, which totalled FFr 6bn.

France's trade surplus with the Soviet Union was thus FFr 1bn last year, not to be sneezed at when set against a total French trade deficit of FFr 10bn. It was significant, too, that French exports were accelerating sharply while some other Western countries were suffering from cut-backs in Soviet purchases of their goods.

While French companies, in common with those of other Western countries, have often been disappointed by Soviet delays in translating intentions into firm orders, some notable successes have been chalked up. Indeed, in the case of one or two French companies, the loss of the Soviet market would deliver a major blow to their financial positions.

In the case of Creusot Loire, the heavy engineering group, the Soviet Union has become its main foreign client, whose orders totalled some FFr 5bn between 1974 and 1978. French electronic and computer companies have been particularly active in the Soviet market. CII-Honeywell Bull, the Franco-U.S. company picked up a $20m deal last year, including the supply of a computer for the Soviet news agency Tass.

The French Thomson group has won not only a notable contract for the supply of television cameras for the transmission of the Olympic Games in Moscow, but its telecommunications subsidiary LMT early last year signed a $100m deal to supply the Soviet Union with a plant to manufacture parts of its new all-digital MT telephone exchange.

What is more, a 10-year economic co-operation programme for the 1980s, signed by France and the Soviet Union last year, lays the emphasis on industrial co-operation and long-term agreements between French companies and Soviet trade organisations in areas such as energy-saving techniques, electronics, engineering, transport and chemicals.

It is clear, therefore, that France stands to lose much from any disruption of trade relations with the Soviet Union, and will think more than twice before taking steps which would jeopardise all the benefits which it has reaped in this field in recent years.

Quite apart from the internal political and economic constraints on French foreign policy, the current international crisis will give President Giscard an opportunity to play one of his favourite roles. That of link-man between Europe and the third world.

His recent talks with Mrs. Indira Ghandi, the Indian Prime Minister, show the way the wind is blowing. France, unlike India, may not be "non-aligned," since it is a member of the Atlantic alliance, but it is the most unaligned country among the main Western nations which gives it a special position.

If, as the French claim, the present international crisis is as much one of East-South as East-West relations, the part that Europe, and particularly France, can play in helping to solve it will be all the greater if closer ties can be established with the Third World. The efforts of Paris in that direction can therefore be expected to be stepped up during the coming months.

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Luxembourg,
31st January, 1980.

Moscow seeks to turn away the Third World's wrath

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

THE SOVIET UNION, which probably faces the task of explaining to its own people the need for higher military expenditure in the post-Afghan situation, has strongly criticised President Jimmy Carter's 1981 budget proposals as "downright militaristic."

The Soviet news agency, Tass, quoted "political observers" as saying that President Carter was calculating that "chauvinistic intoxication" would make it possible to distract public attention from its ability to resolve the country's acute economic and social problems.

A subsequent Radio Moscow commentary beamed to the U.S. asked where the money would come from to finance the proposed 5 per cent real increase in military spending.

Higher defence spending would be financed by a 1 per cent reduction in non-defence spending, calls for moderation in wage demands and the expenditure of the lion's share of the oil windfall tax on arms and not on higher living standards, a complete reversal of the President's priorities in his election campaign four years ago.

The inference in this latest attack on the Carter Administration's budget proposals is that the Soviet Union, too, will have to make further sacrifices at the altar of higher military spending. The commentaries closely follow a wider-ranging attack on U.S. foreign policy in a Pravda editorial earlier this week.

Pravda accused the U.S. of fanning a "hysterical military campaign" against the Soviet Union and made what appeared to be a determined attempt to divert rising Third World criticism of Soviet actions in Afghanistan. It accused the U.S. of trying "to intimidate the developing countries, to complicate their relations with the Soviet Union and other socialist countries, to split the champions of peace, detente and progress and to dictate its conditions to them."

It singled out U.S. plans for the build-up of nuclear-missile forces and the proposed "quick intervention force" for special criticism and linked the later to a strong attack on the U.S. Government's declaration that the oil rich areas of the Near and Middle East were a sphere of vital U.S. interests.

The Soviet media has consistently down-played both the results of the United Nations General Assembly debate on Afghanistan, in which 104 countries including many non-aligned members voted for the removal of foreign troops, and the Islamic Conference in Islamabad.

Radio Moscow accused the organisers of trying to turn the Islamabad meeting into "a tribune for anti-Soviet and anti-Afghanistan propaganda" and "distorting the nature of the Soviet Union's aid to the Afghan revolution."

The U.S. was accused of creating a hullabaloo over Afghanistan to divert the attention of Arab and Moslem countries from its "aggressive intrigues" in the Near and Middle East.

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Nkomo calls for end to breaches of the ceasefire

BY BRIDGET BLOOM AND MARK WEBSTER IN SALISBURY

MR. JOSHUA NKOMO, leader of the Patriotic Front, yesterday appealed to all the parties to the Rhodesian ceasefire to end the continuing violence which has breached the terms of the Lancaster House agreements.

The guerrilla leader also repeated his appeal that the Rhodesian forces and the guerrillas should come together to form the nucleus of a national army before the British-run elections, now only a month away.

Mr. Nkomo, who has maintained a consistently conciliatory attitude since his return earlier this month appeared to be criticising ceasefire violations by ZANLA, the guerrillas owing allegiance to Mr. Robert Mugabe, quite as much as those by the Rhodesian forces and the black auxiliaries.

While he declared that it was not right that the Rhodesian forces should be deployed to put down ceasefire violations by guerrillas, Mr. Nkomo said that his men had been given orders that any of their Zipra colleagues not abiding by the ceasefire "must be collected up at all costs." He suggested that it was up to those in command of other forces to give the same orders. "People must now feel free," he said. "The war is over and must be seen to be over."

The British authorities here are becoming increasingly worried at the apparent inability or unwillingness of the commanders of ZANLA, which owes allegiance to Mr. Mugabe, to respect the ceasefire, and it seems that a similar concern may be felt by Mr. Nkomo.

The ceasefire commission, on which ZANLA, Zipra, the Rhodesian forces and the British are represented, yesterday reported that of the 78 proven ceasefire violations since January 4, some 10 could be attributed to Zipra, 54 to ZANLA, one to the Rhodesians, five to "bandits armed with PF-type weapons" and eight were unattributable.

Reuter adds: South African forces guarding the Beit Bridge crossing into Rhodesia have been withdrawn from Rhodesian soil, British officials said yesterday. A statement issued for the Governor said Rhodesian forces had assumed responsibility for the protection of the Rhodesian side of the bridge.

Britain urges caution on aid to Patriotic Front

BY DAVID TONGE

BRITAIN HAS asked governments supplying assistance to the Patriotic Front in Rhodesia to "channel the aid wisely," according to the Foreign Office in London.

This came into the open yesterday when the Swedish Foreign Ministry announced that it had reassured Britain that Swedish aid to the Patriotic Front could not be used for military purposes or electioneering.

British enquiries about a Swedish delivery of $2.4m (£1.06m) aid to the Patriotic Front led to the reply that this was the last part of a programme and that the aid was given in the form of food and transport, not cash.

Sir Jeffrey Petersen, the British Ambassador in Stockholm, was cited by the Swedes as saying that Britain had its doubts about the ability of Mr. Robert Mugabe, leader of the ZANU (PF) guerrilla party to keep his promises.

The Swedish Foreign Ministry spokesman said his government had replied that it had the opposite view, though the Foreign Office denies that Sir Jeffrey had written about Mr. Mugabe in those terms. It insists that Sir Jeffrey gave instances of ZANU breaches of the Lancaster House agreement.

The British view is that humanitarian aid should be channelled through the United Nations High Commissioner for Refugees.

There are an estimated 250,000 refugees from the seven-year war. Earlier this month they began their return to Rhodesia under UN supervision, though at a slower pace than had been anticipated. Yesterday Britain announced that it would be giving the UNHCR £1.15m, of which £150,000 will be given in kind before the end of March.

Death sentences confirmed for Park's assassination

BY RON RICHARDSON IN SEOUL

A DEATH sentence imposed on Kim Kae-wen, former chief secretary to President Park Chung-lee of South Korea for involvement in the killing of the former President, has been commuted to life imprisonment.

But death sentences handed down earlier this week on President Park's assassin, Kim Jae-kyu, and four accomplices, have been confirmed by South Korea's martial law commander.

Kim Jae-kyu, former head of the South Korean Central Intelligence Agency, and the other convicted men are now expected to appeal to the civilian Supreme Court, which can review the evidence and sentences of the military tribunal.

A lighter sentence for Kim Kae-won, who did not take any active part in the assassination or subsequent attempt by the former KCIA chief to induce the army to take over the Government, had been expected since the charge against him of being an accomplice in Park's murder was dropped.

EUROPEAN OPTIONS EXCHANGE

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KLM C	F.60	—	—	9	10.50	—	—	"
KLM C	F.70	—	—	103	5.60	—	—	"
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KLM P	F.70	95	6	—	—	—	—	"
KLM P	F.80	38	12.60	—	—	—	—	"
KLM P	F.90	17	22.50	—	—	—	—	"
KLM P	F.60	—	—	16	4	—	—	"
KLM P	F.70	—	—	35	7	—	—	"
KLM P	F.80	—	—	30	13.10	—	—	"
KLM P	F.70	—	—	—	—	10	9.30	"
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PHI C	F.22.50	—	—	6	0.70	—	—	"
PHI P	F.20	—	—	—	—	8	1.80	"
PHI P	F.22.50	—	—	—	—	2	0.90	"
RD C	F.140	76	19	—	—	—	—	F.157.80
RD C	F.145	79	14.50	—	—	—	—	"
RD C	F.150	381	2	—	—	—	—	"
RD C	F.160	739	4.40	—	—	—	—	"
RD C	F.145	—	—	13	14.60	—	—	"
RD C	F.150	—	—	19	11.20	—	—	
RD C	F.160	—	—	282	5.80	—	—	"
RD C	F.150	—	—	—	—	2	11.80	"
RD P	F.140	1	0.50	—	—	—	—	"
RD P	F.145	3	1	—	—	—	—	"
RD P	F.150	208	2	—	—	—	—	"
RD P	F.160	55	5.50	—	—	—	—	"
RD P	F.150	—	—	16	5.20	—	—	"
RD P	F.150	—	—	9	9.50	—	—	"
UNI C	F.115	—	—	10	5.70	—	—	F.115.80
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		Feb.		May		Aug.		
BA C	$60	5	16⅝	—	—	—	—	$66⅞
SLB C	$80	4	22⅛	—	—	—	—	$103½
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S C	$20	—	—	—	—	3	1¼	$17⅛

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Simon Henderson, in Tehran, reports on the struggle facing Iran's new President

Landslide fails to bury Bani-Sadr's enemies

MR. Abol Hassan Bani-Sadr, Iran's 46-year-old Finance Minister and newly-elected President is waging a battle with rival groups and individuals within the revolutionary cause to consolidate his victory.

Diplomats and other observers in Tehran identify the main threats he faces as being in the ruling Revolutionary Council, of which he is a member. This body continues supreme until Mr. Bani-Sadr's future government is approved by a general assembly to be elected around the end of February.

If the 75 per cent of the poll won by the French-educated Finance Minister is repeated in the elections for the assembly, his principal rivals will be unrepresented. If they are to make sure that their power and influence continues, they must act soon, the diplomats say.

Within the 14 man revolutionary council his rivals are three clerics: Ayatollah Dr. Mohammed Beheshti, the chief organiser of the Islamic Republican Party—previously the main pro-Khomeini organisation—and his two colleagues, Hojatoleslam Ali Akhbar Rafsanjani, who effectively runs the Ministry of the Interior, and Hojatoleslam Ali Khamaneyi, effectively in charge of the Defence Ministry and also the religious leader of Tehran.

Another rival is Mr. Sadegh Qotbzadeh, the Foreign Minister, who attained a dismal 0.3 per cent of the vote as a presidential candidate, and is known to dislike Mr. Bani-Sadr intensely. Because of this he is likely to lose his job.

Outside the Revolutionary Council the President-elect's principal foe is probably the militant students who hold the 50 hostages at the U.S. Embassy. Mr. Bani-Sadr had previously spoken against their use of force and this week condemned them for trying to act as a "parallel government."

But the President-elect's landslide victory last week cannot be ignored. Bani-Sadr won not only because of his solid campaign but also because Iranians decided to ignore (in the absence of any preference shown by Ayatollah Khomeini), Mr. Hassan Habibi, the Minister of Education and the favoured candidate of the influential Dom theological school.

Mr. Habibi received less than 5 per cent of the vote. The Islamic Republican Party candidate, Mr. Jaloloddin Farsi, had to withdraw earlier because he had an Afghan father and therefore was not a "true Iranian."

Dr. Bani-Sadr: backed by the Ayatollah.

Mr. Bani-Sadr has now been backed by Ayatollah Khomeini himself. In a televised message from his hospital bed in Tehran he appealed for everyone to support the new president. Votes for Mr. Bani-Sadr, though he is the son of an Ayatollah, may have been against clerical domination but were not against Islam nor the leadership of Ayatollah Khomeini. The bulk of the religious vote appears to have gone to Mr. Bani-Sadr in the wake of Mr. Farsi's withdrawal.

Political colleagues of Mr. Bani-Sadr play down the difficulties he is thought to face. Mr. Alireza Nowbari, governor of the central bank, acknowledged that there was conflict between the many different centres of power, but said the future president wants to harmonise them.

On the embassy students he said Mr. Bani-Sadr agreed with their demands for the return of the Shah, but differed with them on which tactics were feasible.

Mr. Nowbari said he hoped Mr. Bani-Sadr would get a majority in the assembly, but he was more concerned that the new President fulfils popular expectations.

Mr. Bani-Sadr won because he understood the people's problems and dealt in realities, not slogans. The jargon used in the campaign might have seemed woolly to Westerners but it succeeded in winning the election, which many in Iran might claim was the first democratic election in the country in 2,500 years.

In his interview with the Financial Times, Mr. Nowbari reveiled that Mr. Bani-Sadr was not going to depend upon a party system—"a party by its own nature is an alienating force"—but will look instead to "structures where people can take a direct part in decision-making." They expect support from 1,800 small groups (mainly so-called Islamic Societies in factories, villages and offices) which helped to organise the vote last week.

With the demise of the IRP, perhaps only the more Western, Right-wing Admiral Ahmad Madani, who won 15 per cent of the vote, can make any inroads. Observers find it had to tell what Admiral Madani's fortunes are, but, generally speaking, they are not writing him off.

Despite the presence of several armed groups in Iran — local Islamic committees, the paramilitary Revolutionary Guards and provincial revels—the political arguments are unlikely to turn violent. The first two groups tend to follow the majority and they are clearly behind Mr. Bani-Sadr at the moment.

The other groups are either effectively independent, in Kurdistan, where the Government has little influence—or, in the view of well-informed diplomats, will swing behind Mr. Bani-Sadr, as in Azerbaijan, where the spirital leader, Ayatollah Shariat Madari is believed to favour the new President.

The greater danger for Mr. Bani-Sadr, according to the diplomats, is that external events will aid his opponents, Mr. Qotbzadeh is bound to try to capitalise on the escape of four American diplomats and two wives from Iran this week, using Canadian passports.

The clerical rivals could see in Ayatollah Khomeini's uncertain health an opportunity to secure positions on the religious "Guardian Council," a constitutional body which would assume the Ayatollah's power to overrule the chief executive in the event of the spirital ruler's death.

PLO 'key to stability' in Mideast

By Anthony McDermott

IF THE WEST is to retain the support and friendship of Moslem countries, particularly in the wake of the Soviet invasion of Afghanistan, a settlement involving the Palestine Liberation Organisation will be necessary in the Arab-Israeli conflict.

This was the gist of the message in a speech in London yesterday by Mr. Douglas Hurd, Minister of State at the Foreign and Commonwealth Office responsible for the Middle East. He was addressing the 18th anniversary luncheon of the Middle East Association.

"Our desire in the Arab-Israeli dispute," he said, "is quite simple: a peace settlement which will enable all the peoples of the area to live not only in peace with a reasonable assurance of security, but also with their sense of dignity and honour satisfied.

"We must not allow relations between the Western and Arab worlds to be poisoned indefinitely by the Arab-Israeli problem."

Mr. Hurd said the PLO should commit itself to a negotiated settlement and emphasised that "the PLO will in practice have to be involved in the peace process." He also condemned the spread of Jewish settlements on the West Bank as "an obstacle . . . to a sensible and lasting peace."

Mr. Hurd reaffirmed the British offer of "material as well as moral" support to Moslem countries to maintain the peace and security of the Middle East.

Intelligence ban on Japan's Defence Agency

By Charles Smith, Far East Editor, in Tokyo

JAPAN'S Foreign Ministry has banned the Defence Agency from access to intelligence reports submitted by Japanese military attachés overseas on the ground that the agency might leak such information to the Soviet Union.

The ban follows the arrest 10 days ago of a former major-general and two junior serving officers of the Ground Self-Defence Force on charges of selling information to Moscow. It is believed that documents originating in Japanese embassies may have been among the information.

Press reports have suggested that the Russians were particularly interested in tapping Japanese Defence Agency personnel for information on China. The Japanese embassy in Peking has a military attaché.

Military attachés serving in Japanese embassies overseas are on secondment from the Defence Agency. Such officials are required, under the Japanese system, to file reports to the Ministry of Foreign Affairs which then passes them on, if it sees fit, to other interested ministries.

The Ministry has not previously banned other ministries from access to information submitted by their own staff. The Ministry of International Trade and Industry, however, has been warned from time to time about information leaks.

Israel's oil assured

ISRAEL's oil supplies for this year have been assured, the Ministry of Fuel has told the Knesset economic committee, L. Daniel reports from Jerusalem. Israel will be getting 8.1m tonnes, of which 5m tonnes will come from Mexico and Egypt.

Since the rise in oil prices at the end of 1973 Israel's oil consumption has remained virtually unchanged at between 7m-8m tonnes a year. In addition to the quantities contracted for, Israel has been buying some

France sends five warships to support Bourguiba

BY OUR FOREIGN STAFF

FRANCE is reported to have sent three surface warships and two submarines to the Gulf of Gabes off central Tunisia following a guerrilla attack on the Tunisian town of Gafsa, last Sunday. The Paris paper, Le Monde, yesterday reported that the ships had sailed because of the seriousness of the attack in which 41 people were killed, according to an announcement by Mr. Othman Kechrid, the Tunisian Interior Minister.

The despatch of warships to the area reflects the depth of France's concern at the pressures being brought on Tunisia. The attackers, believed to have numbered 200, were reported to have crossed the Tunisian border from Algeria. But relations between Algeria and Tunisia have on the whole been good.

The raiders were probably Tunisian migrant workers in Libya, who had crossed over from Algeria to disguise their point of origin. It has been known for some time that Libya has been involving itself in stirring up opposition to the Government of Tunisia's ailing President, Habib Bourguiba.

Thus France's gesture points in two directions. On the one hand, it is a warning to Colonel Muammar Gaddafy, Libya's leader, not to threaten Tunisia. On the other it is a gesture of support for a former colony.

According to the Paris newspaper, French navy officials would not comment on the purpose of the mission beyond confirming that the ships were heading for the area.

In Tunis, Mr. Kechrid, giving the first official casualty figures, said 15 of the dead were civilians, 22 were members of the army or security forces, and four were from among the raiders.

Ninety soldiers, two policemen, 16 civilians and three raiders were injured.

Some reports from Tunis yesterday suggested that shooting had broken out again in Gafsa after the official Tunisian news agency had reported that the situation was calm. The area surrounding the town has been closed to outsiders since Sunday and telecomunications have been cut.

Relations between Tunis and Libya have been strained since a 1974 unification accord fell through, although Col. Gaddafy says he still adheres to it.

AMERICAN NEWS

Iran threat to Canada over smuggled envoys

BY SIMON HENDERSON IN TEHRAN

Mr. Sadegh Qotbzadeh, Iran's Foreign Minister, yesterday condemned Canada's behaviour in helping the four U.S. diplomats and two wives escape from Iran. He threatened that Canada would pay for its action "somewhere in the world, sooner or later."

His comments, at a news conference in Tehran, accused Canada of violating international law in giving the Americans forged passports. He said it justified the actions of the militant students holding the 50 U.S. diplomats hostage in their Tehran embassy. Canada, he added, would be responsible for any change in the circumstances of the hostages.

The harshness of his words was at odds with the attitude of the students themselves, who, although angry at the escape, said they would take no revenge against their captives. Instead they demanded to know from the Iranian Government how the Americans had managed to get through pasport controls.

Following the success of Mr. Qotbzadeh's rival, Abol Hassan Bani-Sadr, in last week's Presidential election and the Foreign Minister's own dismal failure in the polls, it is unclear whether his comments reflect the official view of the whole government or whether they are just a tactic to improve his political position.

The main Iran Radio news did not mention the story yesterday; nor did the Islamic Republic, the newspaper supporting the hard-line Iranian clergy. But Mr. Alireza Nowbari, the Governor of the Central Bank and a confident of Mr. Bani-Sadr, said that as far as he was concerned six fewer hostages did not matter in the attempt to force the return of the Shah.

Agencies report from New York: Miss Flora MacDonald Canada's External Affairs Minister, said yesterday, she put little stock in Iran's threat to make Canada "pay"

"I don't believe that the threat Mr. Qotbzadeh has issued is something that is going suddenly to take place because I really do believe the situation in Iran is not what is was several months ago," the Minister said in an interview on NBC television. Over one-fifth of Canada's oil imports come from Iran, she noted.

Miss MacDonald said she believed that about 50 Canadians were still in Iran. But she thought they were not in great danger.

Victor Mackie adds from Ottawa: Although both the Prime Minister and the External Affairs Minister are answering questions about Canada's action, they are trying to avoid looking as if they wish to exploit the developments for election purposes.

Canadians are nevertheless delighted at the turn of events, and have inundated Mr. Clark's office and the headquarters of the Progressive Conservative Party with telephone calls congratulating the Government and the Tories for the Canadian action in helping the Americans.

Mr. Joe Clark

Tehran escape steals Trudeau's election thunder

BY ROBERT GIBBENS IN MONTREAL

MR. JOE CLARK'S Canadian Government, struggling in the opinion polls as the general election of February 18 approaches, may benefit from the help which allowed six Americans to escape from Tehran on Monday.

The news broke neatly to steal the thunder of Mr. Pierre Elliott Trudeau, the Liberal opposition leader, as he was about to announce his own foreign policy. All he could do was somewhat lamely approve what had been done in Tehran. The exploit may also help the electorate to forget that Mr. Clark had to shelve his undertaking, given in the campaign before the Conservatives won the election last May, to move the Canadian embassy in Israel from Tel Aviv to Jerusalem.

Mr. Clark has been trying to show he is hawkish in the foreign policy area, supporting American actions against the Russian invasion of Afghanistan and even gingerly raising the issue of conscription, a dangerous theme in Quebec, where there was fierce opposition to compulsory military service in both World Wars.

Speaking mainly to Ontario and the West, Mr. Clark said that in present circumstances he would not consider conscription. On the Olympics he has pushed the boycott theme as hard as any Canadian Prime Minister could be expected to. For his part Mr. Trudeau has said that he would go along with a boycott provided it was part of a broad move of all Western Governments.

The opinion polls at this stage show Liberals about 20 points ahead of the Conservatives across the country, and Mr. Clark's personal popularity as a leader seems to have been steadily falling. In some areas, his supporters have taken down his photographs from rented buses and replaced them with the Tory emblem.

There have even been signs of a revival of "Trudeaumania" among young people, especially in Ontario where Canadian elections are usually decided. Ontario is the province with the largest population.

The issues which began the present campaign—oil prices, taxation and the budget introduced in December, seem certain to come to the fore again in the final two weeks of the campaign.

Mr. Clark has maintained he will stand by the budget, the most obvious feature of which is a rapid increase of domestic oil prices towards world levels. The Budget proposed to add C$4 (about £1.54) to the price per barrel this year, and 18 cents to the price of a gallon of petrol immediately. The general thrust of the budget was to seek a "long-term gain at the cost of short-term pain." Voters in eastern Canada — including Ontario and Quebec—believe they will take the brunt of the budget, and that the oil and gas-bearing West will be the winner.

The Liberals have countered with promises of a more gradual increase of the oil price to international levels, cushioned by an income support programme not as yet specified. They argue that the shock therapy proposed in the budget would step up inflation to double-digit levels at a time when the Canadian economy will be hit by the U.S. recession. They have denied they would return to the free-spending ways of the early 1970s.

Carter predicts mild first half recession for 1980

BY DAVID BUCHAN IN WASHINGTON

THE U.S. economy will drop into a mild recession in the first half of this year, with growth, flat in the third quarter, resuming in the final three months of 1980. Accompanying this will be a rise in unemployment to 7.5 per cent by next Christmas, and a modest abatement in inflation to a 10.4 per cent annual rate.

This is the prospect painted in President Jimmy Carter's annual economic report, sent to Congress yesterday, detailing the assumptions behind his restrictive budget proposals for the year beginning October 1.

Mr. Charles Schultze, chairman of the President's Council of Economic Advisers, which prepares the annual economic surveys, said the budget, which essentially aims to pay for higher defence spending out of a tighter fiscal policy unadjusted for continuing inflation had got "a pretty good" reception on Capitol Hill this week. It matched the fiscally conservative mood and tenor of the Congress.

A tax cut, particularly to encourage business investment, might be considered if the economy takes an unexpectedly sharp turn for the worse, President Carter says in the report. Masked by the President's fiscally conservative pledges for 1980-81 is the fact that his administration is running a swollen $40bn or more budget deficit in the current 1979-80 fiscal year.

A basic gamble is that the start of the 1980-81 budget year in October will coincide with a fourth quarter rise in economic growth.

Three factors now militated against expansionist moves, Mr. Schultze said. First, inflation was still high. The economic report noted gloomily: "Inflation has been building up in our country for a decade and a half and it will take many years of persistent effort to bring it back down." The council chairman said the immediate task was to prevent the oil price-led inflation of 1979 setting off a fresh spiral in 1980 in the underlying inflation rate.

Second, all forecasters, Government and private, had been taken by surprise at the economy's resilience in 1979, and the economy could surprise everyone this year, Mr. Schultze cautioned. Finally, as the economic report notes, easing fiscal and monetary policy in the U.S., in advance of concrete evidence of the economy's weakening, would damage the dollar abroad.

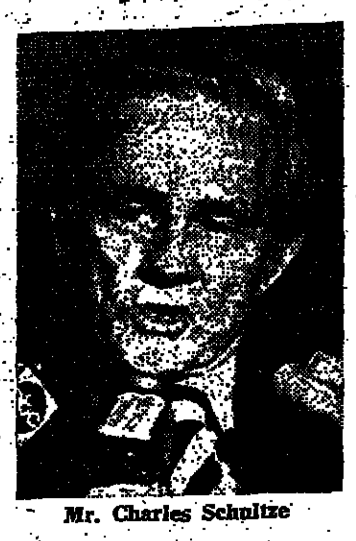
But, cautiously aligning itself in the middle of the private and Congressional economic forecasts, the Administration predicts a January-June 1980 drop in growth, so that over the year real gross national product will fall by 1 per cent.

Rising oil prices and the lack of tax rate adjustment for inflation will take $17bn out of consumers pockets in 1980—a modest estimate based on smaller price rises than in 1979 by the Organisation of the Petroleum Exporting Countries (OPEC). At the same time, the abnormally low savings rate by consumers of last autumn, which helped sustain growth, is not expected to continue—this year U.S. consumers are expected to save more and spend less income.

In turn, U.S. business, already expected to increase capital spending by a real 1-2 per cent in 1980, will respond by further trimming its investment plans.

The administration report has a cautious word for the constitionally independent Federal Reserve Board. "As the year progresses, slowing economic activity and declining inflation should make the Federal Reserves objectives for monetary restraint consistent with lower interest rates. The decline in interest rates that develops, however, is likely to be moderate compared to past periods of recession because of the persistence of a high rate of inflation."

Alarmingly, the council of advisers' report warns that the U.S. trade deficit—over $26bn last year—will probably "increase somewhat" in 1980 and 1981. Imports will decline this year, as the U.S. economy slows down. But imported oil will be more expensive than ever, and exports will not sustain their strong growth of 1978-79 because of slacker foreign demand and because "the boost to exports from the past depreciation of the dollar will largely run its course."



Mr. Charles Schultze

Venezuela to increase regional aid

By Kim Fund in Caracas

VENEZUELA is to increase substantially the aid it gives to its regional oil clients over the next five years. The country will make cash loans to Caribbean and to Central American nations totalling around $1.6bn between 1980 and 1984.

The new plan, to be approved shortly by the Cabinet, is three times greater than the $500m Venezuela allocated between 1975 and 1979 to Central American countries like Panama, Nicaragua, Honduras and Guatemala and to its Caribbean neighbours like Jamaica and the Dominican Republic. The list of countries for the new plan is unknown.

Dr. Leopoldo Diaz Bruzual, the president of the Venezuelan Investment Fund, told the Financial Times the aid would be in the form of deferred payments for Venezuelan oil exports of about 140,000 barrels a day. Under the previous system the aid recipients paid about half the market price for oil in dollars, while the remainder was deposited in local currency, as a virtual loan at 8 per cent, into the respective countries' development banks for domestic reinvestment.

Venezuela is seeking a greater role for the Organisation of Petroleum Exporting Countries' (OPEC) Special Fund in helping to carry its regional aid burden, Dr. Diaz said. He noted that to date barely 5 per cent of the OPEC Special Fund allocations had been placed among less developed countries in the Western hemisphere.

Communications Act reforms win backing

By Stewart Fleming in New York

THE House of Representatives communications sub-committee has approved legislation to encourage competition and diminish regulation in the U.S. telecommunications market.

A provision of proposed amendments to the Communications Act of 1934 would lift restrictions on American Telephone and Telegraph, which have prevented it from offering unregulated telecommunications services through a separate subsidiary.

The change would open the way for AT and T, which has a virtual monopoly of the U.S. telephone market, to compete with a growing bank of rivals planning to provide specialised data communications systems for big corporate clients.

Congress has been examining proposals to reform the Communications Act for some four years. It was thought that one such proposal might have made progress last year but the reforms being suggested proved too sweeping and the legislation died. The new Bill is much narrower in scope and cleared the committee with a 13-1 majority.

Reform of the Act, in so far as telecommunications networks are concerned, has been made necessary by the gradual meeting of communications and computer technologies and by the steps the Federal Communica-

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
3rd qr.	111.3	104.8	103	110.7	266.6	1,380	213
4th qtr.	110.3	103.1	103	111.7	273.0	1,340	230
1979							
1st qtr.	109.6	102.1	102	110.3	276.4	1,351	234
2nd qtr.	115.3	107.7	102	116.7	297.3	1,299	256
3rd qtr.	113.1	103.1	102	110.1	300.5	1,269	247
July	116.4	107.6	103	108.7	294.4	1,279	253
August	112.0	101.6	102	111.5	304.3	1,265	246
Sept.	110.9	100.0	101	110.0	302.3	1,264	243
Oct.	112.3	103.3	101	111.4	309.5	1,282	237
Nov.	113.5	104.7		113.8	317.3	1,282	234
Dec.				113.5		1,294	219
Jan.						1,339	207

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
3rd qtr.	108.4	99.0	122.7	100.2	99.2	103.7	23.0
4th qtr.	106.0	96.9	124.0	96.9	99.0	102.4	20.2
1979							
1st qtr.	105.5	98.8	126.3	98.3	98.8	99.1	12.9
2nd qtr.	109.3	103.3	133.4	102.9	110.7	103.6	21.3
3rd qtr.	105.6	95.6	132.6	94.6	105.1	101.3	20.7
July	108.0	102.0	136.0	102.0	115.0	101.0	22.6
August	105.0	95.0	131.0	93.0	93.0	100.0	18.3
Sept.	104.0	90.0	131.0	88.0	107.0	103.0	21.2
Oct.	105.0	98.0	130.0	96.0	100.0	98.0	20.9
Nov.	107.0	99.0	131.0	98.0	100.0	100.0	19.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£bn); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
3rd qtr.	123.9	115.4	−0.367	+0.299	−501	108.1	16.55
4th qtr.	123.9	112.9	−0.039	+0.614	−480	106.9	15.77
1979							
1st qtr.	109.4	117.2	−1.610	−1.238	−234	108.0	16.78
2nd qtr.	136.7	131.4	−0.682	−0.575	−227	107.9	21.69
3rd qtr.	132.3	129.5	−0.406	−0.220	−166	108.5	23.18
4th qtr.	132.8	129.1	−0.535	−0.385	−177	106.1	22.54
August	130.7	131.4	−0.194	−0.132	−130	108.4	22.30
Sept.	132.0	129.3	−0.185	−0.123	+ 8	107.1	22.75
Oct.	128.6	134.1	−0.418	−0.368	− 85	106.4	22.49
Nov.	133.7	125.0	−0.045	+0.005	− 12	106.1	22.42
Dec.	136.1	128.1	−0.072	−0.022	−104	105.7	22.72

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
3rd qtr.	17.2	8.1	4.2	+ 572	746	1,559	10
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,524	777	1,583	13
2nd qtr.	9.7	17.2	28.5	+2,705	777	1,868	14
3rd qtr.	11.5	9.9	13.2	+2,414	933	1,879	14
August	6.1	12.4	29.8	+1,057	293	634	14
Sept.	11.5	9.9	13.2	+ 925	411	616	14
Oct.	15.7	15.1	14.6	+1,550	544	663	14
Nov.	6.3	13.1	19.1	+1,257	134	691	17
Dec.	4.6	12.1	16.2	+ 253	161		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
3rd qtr.	133.2	144.9	154.8	199.2	206.2	253.74	62.4
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.83	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	283.55	67.4
3rd qtr.	154.1	169.9	176.4	231.1	231.9	301.66	71.0
July	155.6	168.1	174.8	229.1	231.2	278.92	71.9
August	153.3	169.1	176.3	230.9	231.8	290.04	71.4
Sept.	153.6	172.5	178.2	233.2	232.6	301.66	69.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	66.9
Nov.	162.2	181.5	185.1	237.7	237.0	297.22	69.6
Dec.		[illegible]	[illegible]	[illegible]	[illegible]	295.12	70.9

Mitsui official visits Iran to discuss chemical project

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE OBSTACLES to restarting work on the Japanese petrochemical project in southern Iran have been reduced to some relatively minor disagreements over compensation for dismissed workers and on the numbers of Japanese staff to be employed on the final phase of the project.

This was indicated yesterday by a spokesman for Mitsui, the main Japanese promoter of the project.

Mr. Eimei Yamashita, Mitsui's senior managing director, who is also vice-president of Iran-Japan Petrochemical Company (IJPC) left Tokyo yesterday to attend a board meeting of IJPC which is to be held on February 3.

The meeting should draft a financial plan for restarting the project as well as a timetable, Mitsui said. Before the board meeting, Mr. Yamashita will meet Iranian Ministers including the Oil Minister, Mr. Ali Akbar Moinfar, who has threatened that Iran will turn the project over to East European contractors if Japan does not resume work quickly.

Mitsui says the financial problems which have to be settled before work can be resumed at Bandar Khomeini involve an estimated one-tenth of 1 per cent of the entire project cost (about Y700bn or £1.3bn).

Apart from compensation of dismissed or suspended workers, the new Iranian Government has demanded that Japanese workers employed on the scheme pay social insurance premiums in Iran as well as, or instead of, in Japan.

It has also insisted that more of the technical work still outstanding be carried out by Iranian workers.

Mitsui said that between 1,000 and 2,000 Japanese technicians will be needed for the project to be completed rapidly. A delay in completing the work would increase the financial burden carried by IJPC, which at present is believed to be paying out Y100m (£185,185) per day in interest.

Mitsui says that it would hope to resume work at Bandar Khomeini in April and to complete the first of the two installations there by late summer.

The second installation could be finished by the end of this year.

Our foreign staff adds: Japan has been under a number of sensitive pressures over this particular project. First, because of its dependence on imported oil, of which Iran provides 13 per cent, Japan wishes to keep on good terms with Iran. As a result Japan asked the U.S. that this project should be excluded from the list of sanctions called for against the holding of the U.S. hostages in Tehran. Second, Iran had threatened to hand over the completion of the project to East European contractors, with whom it has already had talks, unless Japan purchased certain quantities of oil.

Japan vehicle exports at record

TOKYO — Japan exported a record 4.56m assembled vehicles last year, up 6.8 per cent from 1978, the Japan Automobile Manufacturers Association said.

It reported good sales on the U.S. and West European markets, and increased demands for small fuel-economy cars.

The 1979 total comprised 3.10m passenger cars, 1.42m trucks and 39,000 buses.

The value of expoorts of vehicles and parts also rose to a record $19.95bn, up 14.3 per cent from $17.45bn the previous year. This was equivalent to 19.4 per cent of Japan's overall Customs-cleared exports, which totalled $103.06bn last year.

Exports to the U.S. rose 9.5 per cent to 2.07m from 1.89m in 1978, while exports to the EEC were 708,600, up 19.5 per cent from 592,700.

A total of 213,300 vehicles were shipped to Britain, up 26.8 per cent from a year earlier, 184,300 to West Germany, up 49.3 per cent, 89,300 to Belgium, up 10.0 per cent, and 56,700 to France, up 48.4 per cent.

Exports to Australia and New Zealand rose 8.9 per cent to 232,500 from a year ago, while exports to South-East Asia fell 2.1 per cent to 396,100 and shipwents to the Middle East were down 4.9 per cent to 389,100.

Japan will pass the U.S. to become the world's largest automaker this year, according to production plans released by Japanese companies.

Total production of passenger cars, trucks and buses by Japan's 11 automakers will reach 10.59m units in 1986, up 16 per cent from last year, and just over the 10.4m units to be produced by American companies, auto industry officials said.

Japan's largest car producer, Toyota, plans to make 3.2m cars, of which 1.5m will be exported —Nissan, the second largest automaker, will assemble 2.5m and export 1.2m, the officials said.

Agencies

Joint leasing deal with China

TOKYO — JAPAN'S ORIENT Leasing company has signed an agreement with two Chinese corporations to form a joint leasing company in Peking by mid-1980 to lease machines and equipment inside and outside China.

It said it will own 50 per cent of the projected joint company China Orient Leasing Company, while Beijing Machine and Electric Equipment Corporation will hold 30 per cent and China International Trust and Investment 20 per cent, with capital and other terms to be determined by next March.

Bankers here said the projected company is expected to raise necessary funds abroad through syndicated loans and bond issues.

Meanwhile Hitachi has received orders for two computer systems worth Y2bn (£3.70m) from China.

Hitachi officials said a Y500m (£925,920) computer system will be delivered to the Ministry of Power Industry in July. It will be used to monitor power supply systems throughout the country, keep records on power supply administration, and process statistical data for power transmission.

Another system for railway traffic control, will be shipped to the Ministry of Railways in December. The Y1.5bn (£2.77m) computer system will be used to provide comprehensive train traffic control for an 85-mile stretch of railway between Peking and Tenshing.

Agencies

Fay Gjester reports from Oslo: A $100m credit deal to facilitate Norwegian exports to China was signed in Peking on Tuesday by representatives of the Bank of China and A/S Eksportfinans.

The signing coincided with a 12-day visit to China by a Norwegian delegation headed by Mr Per Martin Olbarg, Deputy Trade Minister.

The Norwegians hope to sell ship's gear, fishing and fish-processing equipment to China.

Volvo unit joins U.S. aero-engine project

By William Dullforce in Stockholm

VOLVO FLYGMOTOR, the aero-engine subsidiary of the Swedish car and truck group, has bought minority shares in two engine projects of the Garrett Corporation of the U.S.

The Swedish company's total financial commitment exceeds SKr 500m (£53.4m), according to a communiqué released yesterday.

The latest co-operation agreement between the Swedish and American aircraft industries was announced only a day after Saab-Scania and Fairchild Industries had unveiled plans to build a new 30-passenger commuter airliner.

In each case, the Swedish Government is providing loan finance "on business terms."

Both agreements are to be seen as efforts to preserve the development and production capacity of the Swedish aircraft industry by switching it to civil projects, as orders from the Swedish Air Force decline.

The agreement with Garrett gives Volvo Flygmotor a 15 per cent share in the American company's turbo-prop engine TPE 331-14, and 5.6 per cent in its turbo-jet engine TFE 731-5. Volvo also obtains the right to carry out maintenance work on the TFE 731-5 engines.

The TFE 731-5 is a new version of Garrett's business executive jet engine with the thrust increased from 3,600 to 4,000 lbs, and improved fuel economy. Earlier versions of this engine are used by 15 aircraft designs.

The turbo-prop engine TPE 331-14 is also a new version under development by Garrett.

Protectionism advocates attacked

By Lorne Barling

MR. CECIL PARKINSON, Minister of State for Trade, yesterday criticised advocates of UK import controls, suggesting that only British industry could solve its problems by becoming more efficient.

Imports were bought out of preference for their quality, price and availability, he said. Only when UK industry was able to provide competitive products would imports be checked.

He told the Birmingham Chamber of Commerce that action had already been taken in industry where short-term measures were needed, such as footwear and electronic equipment.

India to keep liberal import policy

BY K. K. SHARMA IN NEW DELHI

DESPITE GOVERNMENT alarm over India's soaring trade deficit—now expected to be over Rs 20bn (£1.10bn) in the current financial year—officials in the Commerce Ministry say there is little prospect of cutting India's high import bill. Efforts to reduce the trade gap will therefore have to be concentrated on increasing exports.

This suggests that the import policy to be announced for the 1980-81 financial year on April 1 will be little different from the liberalisation introduced in the past few years. Fears that cuts will be imposed on imports of machinery and capital goods therefore seem unfounded.

Official economists believe that these products have to be imported to maintain economic growth which is expected to have gone into reverse gear in 1979-80. It has also been noted that little advantage has been taken so far of the liberalisation of capital goods imports, and official efforts will therefore be made to encourage industry to do so.

The extraordinary increase in imports in 1979 is largely due to the high world prices of oil, petroleum goods, fertilisers and non-ferrous metals which are considered to be essential inputs for both industrial and agricultural production. They are the principal reason for the large trade gap and their import cannot easily be cut without harming the economy.

In the period April-November, 1979, overall imports are estimated at Rs.49.97bn (£2.75bn), registering a rise of 21 per cent over the imports of Rs41.21bn (£2.27bn) in the same period of the previous year. This was the main cause of the trade gap of Rs11.8bn (£651m) in April-November, 1979.

A contributing factor has been the low growth in exports which rose by only 5.5 per cent in the period against the high average growth rate of 24 per cent recorded in the previous two years. This was due mainly to infrastructural bottlenecks such as power supply cuts, transport problems and port congestion which curbed both industrial production and exports.

However, plans are being prepared to improve the export performance. This will be mainly by identifying and removing constraints on production such as power supply, supply of basic raw materials and fuller utilisation of industrial capacity. It is also planned to stress production of items having export potential so that larger quantities are available for export.

The new Commerce Minister Mr. Pranab Mukherjee, has also said that he plans to take fuller advantage of managerial talent and advanced technology available in the country and to encourage export of value-added items, particularly finished and semi-finished goods.

Other proposed measures include tackling the problems of shipping and port congestion and co-ordinating and strengthening marketing intelligence abroad.

Despite the large and growing trade gap, no unusual strain is expected on the foreign exchange reserves which are still growing even though the pace of the rise has slackened. The rise is mainly due to remittances from Indians working abroad. However, much will depend on the prices of essential imports.

UK machine tools in deficit

BY HAZEL DUFFY

THE YEAR 1979 is likely to prove the first since 1967 in which the British machine tool industry has shown a deficit on its overseas trade.

Figures published yesterday by the Machine Tool Trades Association show that exports of machine tool for the nine months to September totalled £164.2m and imports £202.7m.

Mr. John Halbert, MTTA president, says in the Association's annual report that the figures are "disquieting."

"I am certainly not suggesting that there should be any reversal of our policy of recognising and welcoming trade in both directions—provided it is fair.

"But one sometimes wonders if some of the prices which we encounter from such sources are commercial, and whether some of the lack of success of our considerable export effort is not attributable to unnatural but subtle impediments placed in our path in those countries."

The main source of imports is West Germany, followed by the U.S. and Switzerland. The increase in imports, according to the report, is largely due to products for the motor industry —transfer lines from West Germany and the U.S. and presses and gear-cutting machines from West Germany.

Japan has moved up to being the fifth biggest source of imports over the last few years, mainly as an exporter of NC lathes.

Mr. Halbert, whose association represents importers as well as manufacturers, makes it clear that he is not asking for "artificial protection of jobs. Prosperity in the 1980s will depend on investment and acceptance of new technology."

The MTTA says that more than 1,000 companies from 45 countries have agreed to exhibit at the Birmingham machine tool exhibition in April—the biggest exhibition of machine tools ever held in the UK.

French factory for Vietnam

BY DAVID WHITE IN PARIS

THE FRENCH menswear manufacturer Bidermann has reached agreement to set up a factory in Vietnam—the first new investment by a French company in that country since the Communist invasion of South Vietnam five years ago.

The factory, to be on the outskirts of Hanoi, is to make shirts for export to France under a quota agreement at present being negotiated with the French authorities.

The installations are being put at Bidermann's disposal by the Vietnamese Government. The company did not say how much it was investing in the plant, which will employ about 400, but said the Hanoi operation would account for about half its total shirt output.

The eventual production target is about 500,000 shirts a year.

Automobiles Citroen, part of the PSA Peugeot-Citroen group, is negotiating a similar agreement to re-start production at its vehicle assembly plant, closed during the Vietnam war, and to diversify into other sectors.

U.S. textile imports fall

WASHINGTON — Textile and apparel imports into the U.S. totalled about $5.84bn in January-November last year, down only 1 per cent in value terms, but considerably lower in quantity, the U.S. Commerce Department announced yesterday.

Imports totalled the equivalent of about 4.3bn sq. yds. in the first 11 months of last year, from Hong Kong, Japan, Taiwan, South Korea and other countries — 20 per cent less than in the January-November months of 1978.

Hong Kong was the main supplier, accounting for 744m sq. yds. in the first 11 months of last year, although shipments were 17.1 per cent down on the same period a year earlier.

Japan's exports to the U.S. amounted to 460.8m sq. yds. in the first 11 months of 1979, (off 43 per cent), Taiwan supplied 559.4m sq.yds (off 17.7 per cent), and South Korea 468.5m sq yds. (off about 11.3 per cent).

Top British engineers head for Rhodesia

Financial Times Reporter

THE FIRST "hard-selling" engineering trade mission to visit Rhodesia since sanctions were lifted will fly out from London next Wednesday.

The mission is being mounted by the Engineering Industries Association (EIA), which says that despite the political uncertainty, the engineering industry in Britain is eager to re-establish trade links with Rhodesia."

Led by the association's recently appointed vice-president, Mr. Fred Toft, sales director of Denford Machine Tools, the 17-member mission will spend the first week in Salisbury and the second in Bulawayo, returning on February 22.

Uganda move on imports

NAIROBI — The Uganda Government has set up a committee to issue import licences and allocate foreign exchange, under new arrangements designed to smooth the flow of imports into the country.

Radio Uganda monitored here yesterday said the committee, headed by Mr. Wacha Olwol, a senior Government official, contained representatives of the Bank of Uganda and the Commerce and Industry Ministries.

A system of priorities for imports had been worked out. The list of priority items includes raw materials and spare parts for Ugandan industries, agricultural inputs, motor vehicles and pharmaceuticals.

Oil companies will continue to import their products under open licences, the radio said.

Reuter

BL optimistic though its market share drops

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL's share of the new car market fell to its lowest-ever level, 15.4 per cent, in January. But the group said yesterday its controversial "Buy British" promotion campaign was proving a big success.

BL said the impact would not be reflected until the February statistics were seen.

While BL has been floundering in January, Ford has forged ahead.

Sir Terry Beckett, Ford UK's chairman, has set his marketing team the target of building the group's share to 35 per cent in 1980 compared with just under 30 per cent last year. In the first 29 days of January Ford achieved a 35.9 per cent penetration in what is shaping up to be a near-record month for total car sales in Britain.

Ford needs big profits from all its overseas operations this year because the American company will suffer a loss of about $1bn as it struggles with the combined effects of having to meet new fuel economy and safety regulations in the U.S. at a time when the new car market is expected to go into a steep decline.

In January importers have taken 59.6 per cent of the UK market compared with the record of 60.1 per cent reached last November

Total market sales have been buoyant. They reached 142,000 in the first 29 days compared with 156,000 for the whole of January 1979.

Commenting on the BL campaign, Mr. Tony Ball, managing director of BL's worldwide sales organisation, said: "We are delighted that our initiative is being widely discussed and that the essential truth is going home. The country simply cannot afford such a high level of car imports."

The company's promotion, lasting three months, will concentrate on those vehicles which are more readily available such as the Marina, Maxi, Princess, Dolomite and Rover. Dealers have been offered substantial incentives to allow them to offer exceptional deals to potential customers.

A spokesman for Henly's, a major BL distributor, said: "Our business is roaring away. With special incentive deals, people are again trying BL for size."

Another important BL distributor, Wadham Stringer, reported that, although many of its outlets started 1980 with very small order books, business had recently improved.

"Things will change when the February sales figures are announced. There is more interest now than in the last two or three years."

BL insists that in spite of the steel strike it has sufficient stocks of cars for the campaign.

Mobil's 'ship-shape' platform will raise deep water oil

BY MARTIN DICKSON, ENERGY CORRESPONDENT

MOBIL OIL is developing a new type of floating production platform—similar to a large oil tanker—which could be used to exploit North Sea fields which lie in waters too deep for conventional, fixed platforms.

Details were given yesterday by Mr. T. H. Timmins, planning manager for Mobil Producing Northwest Europe, who said the so-called "ship-shape vessel" type of floating platform would resemble a large crude carrier—at least in the 150,000 dwt class.

Mobil's system is similar in concept, but not in detail, to a method for exploiting deep water fields unveiled recently by British Petroleum. Under BP's SWOPS system, a converted tanker would carry crude up from the seabed to storage tanks through a proboscis type tube.

Mr. Timmins told a London conference on the North Sea in the 1980s that the Mobil vessel would moor over a riser manifold, connected to a system of subsea wells, and bring oil up into its large storage tanks. The oil would go from there via a loading arm to a shuttle service of tankers carrying the crude to the shore. The platform was designed for use in severe weather and depths up to 2,500 feet.

Rising oil prices, and the fact that fixed platforms are usually limited to depths of 800 to 1,000 feet, are prompting oil companies to investigate methods of reaching offshore oil at depths which would at one time have been uneconomic. The Mobil and BP systems are the two latest examples of this development.

One major difference between the BP and Mobil plans is that in the SWOPS system the production vessel itself acts as a shuttle between the oil field and the shore, while the Mobil vessel would offload on to other tankers, allowing continuous production.

Mr. Timmins also said that Mobil was developing a new vessel for combined offshore storage of oil and loading on to tankers. This was an all-steel semi-submersible which would provide storage capacity of up to 1.5m barrels. Anchored to the sea by 12 chains, it would use a new synthetic rubber diaphram to isolate crude from clean water ballast.

Mr. J. G. Cluff, chairman of Cluff Oil, the small British independent company, said that two recent developments had been of particular importance to the independent sector.

One was the change of Government in Britain and the recognition by Mr. David Howell, Energy Secretary, of the "critical" role of the independents in the North Sea.

The second was China's declaration that it wished to explore its vast offshore areas in concert with certain private sector companies. Cluff was taking part in three surveys off China and another British independent, Tricentrol, was taking part in surveys on six blocks in the South China Sea.

TWA plans check-in bonus

BY ARTHUR SANDLES

TWA CUSTOMERS using the airline's express check-in system at Heathrow will get £1 off some premium brand liquor and perfume prices and £15 off some watches.

The deal, negotiated with the British Airports Authority and Alders, the Terminal Three shop operators, has been in the pipeline for some time. The Authority showed initial reluctance to favour passengers of one airline. However, it has approved the scheme, which is to be introduced immediately and is bound to upset some TWA rivals.

TWA has already spent £500,000 promoting its Airport Express system, which involves the pre-allocation of boarding cards and seats by airline offices and travel agencies. About 400 to 450 people a day use the system at Heathrow. Mr. Larry Langley, a general manager of TWA in the UK, considers that the figure could go up to 2,000 a day in the summer.

The airline is extending the scheme to cover advanced passenger excursion ticket buyers and also plans to give customers of the London Hilton (part of the TWA group) check-in facilities at the hotel.

The airline's long-term aim is to introduce American-style kerbside check-in here. The authority is against this, because it does not think UK airports have enough kerb. Mr. Langley said yesterday that he recognised the problems, but hoped a deal would be possible eventually.

Lloyd's 'breach of obligations' alleged

BY JOHN MOORE

LLOYD'S OF LONDON knew or ought to have known in 1976 and 1977 that irregularities had occurred and were continuing in the conduct of the underwriting carried out in the U.S. on behalf of the 110 members of the Sasse syndicate. The allegation is made in the claim served by lawyers acting for 29 members of the syndicate who are suing Lloyd's and eight underwriting agents in an unprecedented High Court action.

The 29 members of the syndicate are contesting liability on a large part of the £20.2m losses which are falling on the syndicate. The defendants will be replying to the allegations.

The action alleges that the underwriting had appeared to Lloyd's U.S. attorneys to be "vulnerable to questionable practices," and that there were persons employed or involved in the underwriting who were unacceptable to Lloyd's.

Lawyers, Clifford - Turner, claim that none of the coverholders or sub-coverholders by whom the underwriting was carried out had been approved by Lloyd's Underwriters Non Marine Association.

Applications for such approval by a holder of a binding authority, which allows an outsider to underwrite business on behalf of a Lloyd's syndicate up to certain limits, and a Lloyd's broker were rejected in or about June 1976.

The acts or omissions by Lloyd's put Lloyd's in breach of its obligations to its members, it is claimed.

Lloyd's further breached its alleged duties to the plaintiffs in that it failed to make inquiries. If inquiries had been made, it is claimed, they would have confirmed the existence of the irregularities and contraventions, which would have justified and necessitated intervention and action by Lloyd's to regulate such underwriting and to protect the interests of the plaintiffs.

The lawyers cite many documents to support their claims.

It is also alleged that action taken by Lloyd's to put right certain of the irregularities in the underwriting was done in such a way which caused or imposed liabilities on the members of the syndicate to which the members would not otherwise have been subject, "and they resulted in loss and damage to the plaintiffs which the plaintiffs would not otherwise have sustained."

Lloyd's knew by October 1978 at the latest that no valid binding authority had ever been given on behalf of the syndicate for 1977 to cover holders who underwrote other insurance business in Canada.

But even if Lloyd's did not know, binding authorities had still been given to Canadian insurance producers, although the authorities had never been signed and sealed by the Lloyd's Policy Signing Office.

It is also claimed that a binding authority held by a U.S. insurance firm, Den-Har, had never been signed and sealed by the Lloyd's Policy Signing Office at any time when the contracts of insurance were entered into.

The action further claims that the members of the syndicate had not received information about possible breaches of their premium income limits for the 1976 and 1977 underwritng years. The excess over the limits, it appears, was "in the order of 400 per cent."

New Gatwick runway 'will not be necessary'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BRITISH Airports Authority is convinced that it will be able to handle a full capacity of 25m passengers a year on one runway at Gatwick Airport, and that a second main runway will not be needed.

Lord Silsoe, QC, for the authority, yesterday told the resumed public planning inquiry into the authority's plan for a second main passenger terminal at the airport that some airlines using Gatwick had expressed concern about the lack of a second runway.

But he stressed the Authority's confidence that it would be able to cope with a single runway. In any event, the full capacity of 25m passengers a year would not be reached until the early 1990s.

The authority has already announced plans to turn the existing taxiway into an emergency runway should the main runway ever be blocked.

The inquiry, which is under the chairmanship of Mr. John Newey, QC, is intended to probe the authority's plans to develop the airport from 16m passengers a year to 25m, with the addition of a new passenger terminal, and large cargo facilities.

It is expected to last several months. Many local environmental groups are expected to submit protests.

Lord Silsoe said airlines which had already transferred from Heathrow to Gatwick, and others which would be expected to go there, would be unable to expand once the present capacity limit of 16m passengers a year at the airport had been reached.

"It is the BAA's submission that it is very important for Gatwick to have scope to grow after it reaches its capacity of 16m," he said.

Insurers 'need basic rights law'

By Eric Short

DOUBTS on the need for a public official as an insurance "ombudsman" were expressed yesterday by Mr. Gordon Borrie, Director General of Fair Trading.

But, he told a British Insurance Association lunch in London, he did feel there should be a fairer and more certain legal framework covering the basic rights and obligations of the parties to an insurance contract.

This, he said, should be complemented by the insurance associations developing self-regulation from the modest beginings now operating.

The number of complaints made to consumer advisers in local authorities and Citizens Advice Bureau about insurance had been rising steadily over the past few years. Last year, there were over 6,000. About half concerned motor insurance, a quarter property and travel insurance and a fifth life assurance.

The main causes of complaint were a lack of prepurchase information, difficulty in understanding the insurance policy documents, delays on payment of claims, and a lack of publicity about complaints procedures.

New Marks and Spencer store

MARKS AND SPENCER is to open a new store in the £40m shopping complex at the centre of Milton Keynes.

The new store will occupy a site already reserved for it at the west end of the 1.1m sq ft shopping centre. The store will provide some 25,000 sq. ft. of selling space for Marks and Spencer.

The company's decision to open a store at Milton Keynes has come as a welcome boost to the centre, which was opened last autumn.

Other major stores already at the Milton Keynes shopping centre include a John Lewis department store, British Home Stores, F. W. Woolworth, and W. H. Smith.

Ulster talks hopes fade amid party skirmishes

BY STEWART DALBY

HOPES THAT the constitutional conference on Northern Ireland would succeed in overcoming the major problem of power-sharing in the province dimmed further yesterday.

The conference on Northern Ireland met for a further, low-key session before adjourning until next week, amid continued verbal skirmishing between the Social, Democratic and Labour Party, the main Roman Catholic representatives, and Mr. Ian Paisley's Democratic Unionist Party.

It discussed the non-sectarian Alliance Party's plan for government by executive committees whose chairmen would be elected by members of a new assembly in proportion to party strengths in the assembly.

This would thus represent a form of power-sharing, and is similar to what the UK-Government has in mind. But this was overshadowed by a statement from Mr. Seamus Mallon, deputy leader of the SDLP, who accused Mr. Paisley of "gun boat diplomacy."

At the same time, the SDLP started separate parallel talks with Mr. Humphrey Atkins, the Ulster Secretary, yesterday afternoon on issues declared outside the scope of the main conference namely the problem of Irish unity.

Mr. Mallon said that he was upset by Mr. Paisley's declaration that, if the SDLP refused to accept majority rule government, he would not reveal the Democratic Unionist plan for proposals for protection of minority parties.

"If Mr. Paisley is now saying that majority rule is the only way that he will look at the problem I can see little hope for this conference," Mr. Mallon said.

There seems little possibility that either the SDLP or the Democratic Unionists will walk out of the conference. Discussions, when they resume next week, are likely to concentrate on a scheme similar to the Alliance Party's proposals.

The row between the SDLP and the Democratic Unionists over the past two days however has clearly established that a return to Cabinet-style government in Northern Ireland on the basis of majority rule or power-sharing is now a dead letter.

Accounting firm plans expansion

By Michael Lafferty

ARTHUR ANDERSEN, the UK accounting firm, is expanding its capacity to handle insolvencies in a move to gain a greater share of corporate bankruptcy work.

Andersen first became involved with insolvency work last year when it entered into an association agreement with Bernard Phillips. Phillips had been connected with another firm called Tansley Witt, part of which merged with Andersen last year.

Andersen is now entering into further association arrangements with Bernard Phillips (Leeds) and Douglas Laing and Jackson of Glasgow. The plan is to achieve full integration with Arthur Andersen.

Mr. Ian Hay Davison, Arthur Andersen's managing partner, says that the firm has had "amicable discussions" with the big clearing banks and expects to get a fair share of bank-referred insolvency business.

Nigeria takes over warship

WARSHIP builders Vosper Thorneycroft have handed over the 850 ton corvette Erinmi to Nigeria after a month's delay caused by bad weather for sea trials and the need for last-minute alterations. The ship is expected to leave for West Africa in April.

Silver and manuscripts fetch high prices

SALEROOM

BY ANTONY THORNCROFT

THERE WERE two good sales at Christie's yesterday, silver totalling £235,910 and early printed books and manuscripts fetching £189,365. The best price in the silver was the £20,000 (plus the 11.5 per cent buyer's premium and VAT) paid for a silver gilt travelling canteen part of which was probably given as a christening gift from Queen Charlotte to her daughter Princess Mary, the fourth daughter of George III. It includes items made in 1776 by the Royal goldsmith, Thomas Heming, plus later additions by Robert Garrard.

A Victorian oval freedom casket bearing both the Royal Arms and those of the City of London was bought by Koopman for £6,000 and the same London dealer paid £5,200 for a similar casket, this time with the arms of the Grocers' Company as well as the Royal Arms. Both date from around 1875. A 1706 chocolate pot by Joseph Ward went to Blenheim for £5,200 and Bloomstein paid the same sum for a George III epergne by Thomas Pitt.

An illuminated manuscript on vellum, Flavius' "Vegetius Renatus" which is the standard medieval book on the art of war, was bought on behalf of a private German collector for £23,000. It was produced in France in the last quarter of the 14th century. The same buyer acquired a late 15th 15th century Italian psalter for £9,000.

Kraus, the New York dealer, paid £19,000 for the celebrated work on canon law by William Lyndewood completed in 1433. It is a standard text on ecclesiastical law and no copy has appeared at auction since 1947. It was sold by the Thetford Fulmerston School. The best price in a clocks and watches sale was the £3,000 for a late 17th century longcase clock, the dial signed Thos. Hughes.

At Phillips, Winnifred Williams bought a pair of early Worcester pickle dishes for £2,600, well above the price forecast, in a porcelain sale. The same dealer paid £2,400 for a similar pair, while an early Worcester bowl went to Amor held in Phillips new collectors for £980. The first sale to be centre, of lead soldiers, totalled £20,193. A 17-piece Salvation Army band, made by Brittains in 1936, realised £800.

ROY HODSON ASSESSES STEEL STOCKS

Business as usual for another month

MOST OF British industry should be able to maintain normal output for at least another month if the national steel strike, which yesterday entered its fifth week, continues. But shortages of specific types of steel could hit some sectors earlier, possibly by the end of this week.

Mr. Gordon Sambrook, commercial director of the British Steel Corporation said yesterday: "My estimate of the position is that most users can still keep going well through February."

His view is echoed by Mr. Richard Rawlins, director of the National Association of Steel Stockholders, who estimates his 264 member companies have between six weeks and nine weeks of average steel trading supplies in stock.

Abnormally high domestic steel stocks, assisted by a continuing flow of imported steel in spite of some picketing of the ports, are enabling all the major steel-using industries, and most of the minor ones, to fulfil orders without undue concern over steel supplies.

But some shortages of specific types of steel could begin to affect industry before the end of this week. It is likely that a small proportion of workers in the can-making industry will be laid off.

Construction companies which have not built up stocks of steel are also likely to have difficulties.

But these problems hardly spell widespread disruption. The consumer is unlikely to feel a shortage of tins at all unless the strike persists into March or April. Although tinplate stocks for can manufacture are running low at a few works, the can makers have been producing at high levels for the last three months, so canners have big stocks on hand to deal with future demand. The industry expects foreign supplies of tinplate and stocks in British Steel warehouses to refill the usual trade pipeline within days of the strike ending.

It might seem strange that BSC, which is responsible for nearly 60 per cent of Britain's steel needs, can cease production for a month without an obvious impact on industrial production.

Two factors are at work. First, stocks of steel held in Britain were at a historically high level of nearly 5m tonnes when the strike officially started on January 2 after the steelworks had already been ide for two weeks during the Christmas-New Year break. British industry uses about 300,000 tonnes a week.

Second, the strikers have succeded in cutting off the flow of imported steel. The major steel using industries, the stockholders, and the British Steel Corporation are collaborating to ensure a continuing flow of steel from Europe. Few ports are being picketed.

The steel is arriving in small parcels at discreet landing points. Some of it is arriving from the Continent in containers which sparse pickets would find difficult to detect.

In the last months of 1979—the steel users and the stockholders were buying beyond their normal requirements to build up stocks following the road haulage strike. By December, stock level was so high that some steel traders considered it "unhealthy." There was about 18 weeks' supply in stock round the country, compared with the usual 13 to 14 weeks' supply.

Last month, as the strike threat developed, British Steel delivered over 200,000 tonnes more than usual to home buyers. When the strike started, industry and steel warehouses were holding about 750,000 tonnes of steel more than usual.

- Motors: There is no shortage of components yet. Steel used in components manufacture has a long lead time between basic forging and machining and fitment to vehicles. There is no shortage of body sheet yet. The level of demand for cars in Britain is low, companies have built up heavy stocks of sheet and companies importing sheet have managed to maintain supples. Shortages may appear by mid-February
- General engineering: Companies expect to maintain full production until the end of February.
- Shipbuilding: The nationalised industry was not able to lay in big stocks because of the high prevailing interest rates. Local shortages of plate are expected to hinder production if the strike continues. But the industry is in recession, production levels are low.
- Food Industry: Demand for cans is low at this time of the year. Lay-offs will start soon among the can makers as tinplate supplies dry up. However, the canners have big stocks and do not expect any problems in can supplies for a month ahead.
- Steel stockholders: Stocks have been depleted during the four weeks of the strike as the steel has been taken by customers and stocked in factories and construction yards. When the strike ends, a first move to get the pipeline of steel supply moving again will be to replenish stockholders' supplies.

The National Association of Steel Stockholders is taking legal advice on whether its members are embraced by the Court of Appeal's ruling that strikers should suspend their industrial action in the private steel industry.

- Construction: Companies fabricating steel have bought large quantities in recent weeks and are thought to be holding sufficient stocks at their depots to service work in progress for at least another month.

A curious side issue provoked by the steel strike is that several steel using companies may face higher tax demands. Most companies are running down their stocks of steel. They are liable to be taxed at the end of the 1979-80 financial year on "windfall gains" on cash generated from liquidated steel stocks. They have no option in the matter as they cannot replenish stocks during the strike unless they have access to imports.

The British Iron and Steel Consumers' Council, the National Association of Steel Stockholders, and British Steel have argued to the Government that companies should not be penalised in this way because of the strike.

Building societies do better in January

BY ANDREW TAYLOR

BUILDING society net receipts have seen a marked improvement in January, Mr. Alan Cumming, chief general manager of the Woolwich Equitable Building Society, said yeserday.

Societies' net receipts are expected to approach £300m this month, compared with the £161m achieved in December. However, February is likely to bring more pressure with the launch of a new ordinary National Savings Certificate expected to attract additional funds away from societies.

It has been estimated that the new Savings Certificate could, over the next few months, absorb up to £300m of cash that would normally be available to building societies.

Mr. Cumming said that, because of a number of special factors affecting the savings market, an accurate guide to receipt trends was unlikely to emerge until the end of March.

He hoped that societies would be able to match the £8.86bn lent in 1979 during the current year. This would require average monthly net receipts of around £250m.

Even if the overall level of cash lending remained the same in 1980 the number of individual loans financed by societies could fall by between another 10 to 12 per cent, said Mr. Cummings. However, much would depend upon interest rate and house price movements.

In 1979 Woolwich lent a total of £483m, £4½m more than in the previous year. But the sharp rise in house prices meant that there were 14 per cent fewer loans (excluding second mortgages).

The rise in minimum lending rate to 17 per cent has led to tighter control by the society of its finances. Mortgage advances awaiting completion at the end of December totalled only £75.3m compared with £90.7m at the end of 1978 and £94.5m at the end of the previous year.

Mr. Cumming said yesterday that the society may have overreacted slightly to the rise to record interest rates. This might account for the slight rise in the Woolwich's liquidity ratio to 17.69 per cent at a time when other society's liquidity ratios have declined.

Net receipts last year totalled £325.3m compared with £265.3m in 1978 but were lowere than the £333.3m in 1977. Total assets of the society rose by 16.6 per cent to £2.53bn.

At the end of last year the average advance to borrowers was £13,450 while, the Woolwich says, average house prices had climbed to around £23,000.

Waste heat studies likely to go ahead

BY MAURICE SAMUELSON

NEW STUDIES on controversial plans for warming homes and offices with waste heat from power stations are expected to be authorised by the Energy Department in the next few weeks.

Officials are believed to have advised Ministers to move towards implementing part of a report completed last April on the potential for combined heat and power (CHP). The report's authors, headed by Dr. Walter Marshall, deputy chairman of the UK Atomic Energy Authority urged that one or more city schemes should be started as soon as possible.

Even though the scope of another round of studies is still unknown, the move is likely to come as a relief to CHP enthusiasts who have been worried by the length of time that the Marshall Report has been on civil servants' desks.

The report claimed that heating districts with hot water from power stations might replace up to 30 per cent of the country's existing non-industrial heat load when oil and natural gas were no longer available.

Professor John Horlock, vice-chancellor of Salford University and a member of the Marshall team, proposed yesterday that the pilot study should be carried out in a city of about 300,000 people with a minimum heat load of 200 megawatts.

Efficiency boost

Other studies carried out simultaneously with the Marshall Report had identified 13 cities in this category, including Newcastle upon Tyne, where councillors have already asked the Government to carry out a pilot study.

Professor Horlock, who was addressing the District Heating Association's annual meeting in ondon, said that CHP for district heating offered substantial energy savings at reasonable economic costs, and would boost Britain's efficiency and competitiveness as a manufacturing nation. He said the CHP should be adopted as an integral part of the country's long range energy policy.

He was less confident about the Government setting up a national heat board, to supervise development of CHP. This would smack too much of "quangos." Instead, the work should be entrusted to the Central Electricity Generating Board, he said.

Refuse can 'help cut rates'

By Robin Pauley

TREATMENT and disposal of refuse, which cost local authorities in England £97m in 1977-78, could be a large source of revenue for private enterprise and a money-saver for ratepayers, said Sir Horace Cutler, leader of the Greater London Council, yesterday.

He said the GLC was discussing its waste disposal operations with private contractors

The disposal of 11,000 tons of household garbage collected each working day in the London boroughs gave the GLC an expensive burden.

"It is a burden we would like to be rid of and relieving us of it could be a profitable undertaking for someone else," he said.

Earlier this week the Conservative-controlled district council of Rochford, near Southend, announced a change to private refuse collection to cut the increase in rates. A private company will take over the authority's depot and 13 vehicles and the district will save £100,000 a year.

Gross revenue expenditure on treatment and disposal of waste by local authorities in England has risen from £50m in 1974-75 to £97m in 1977-78. Income increased from £3.7m to £10.7m over the same period.

Net revenue expenditure by the GLC accounted for between 24 and 30 per cent of all English authorities each year.

NCB forecasts too high, says economist

BY OUR GRANTHAM CORRESPONDENT

THE National Coal Board's view of the future of British coal was "implausible in the extreme," Professor Colin Robinson, head of the economics department at Surrey University, told the inquiry into the NCB's plans to mine in the Vale of Belvoir yesterday.

Professor Robinson, former head of the economics division in the corporate planning department of Esso, appeared as a key witness at the inquiry in Stoke Rocheford Hall, near Grantham, for Leicestershire County Council — one of the main opponents of the NCB's proposals.

"The Coal Board's forecasts of totally primary fuel demand are far higher than anyone can reasonably expect: I know of no reputable energy economists who would now use a forecast anywhere near 500m to 650m tonnes of coal equivalent in the year 2000," he said.

The professor also criticised the Department of Energy for assuming in one of its estimates a 3 per cent a year increase in gross domestic products up to end of the century.

"It seems to me quite inconsistent to assume that real GDP in the next 20 years will rise faster than the average rate of the 1950-73 period," he added.

"I would expect totally primary fuel consumption in the year 2000 to be in the range of 400m to 450m tonnes of coal equivalent—a growth rate of approximately ½ to 1 per cent per annum between now and the end of the century."

Store to make staff redundant

Lewis' of Hanley, one of Stoke-on-Trent's largest department stores, is to make between 40 and 50 part-time and full-time staff redundant.

Two directors have also resigned from the company which is being streamlined to see it through what it says will be a difficult time.

Michelin Guide now lists five top restaurants

Financial Times Reporter

THE 1980 MICHELIN Guide to Britain and Ireland gives the British Isles five two-star restaurants instead of the four the previous year, but the U.K. and the Republic of Ireland still do not have a three-star restaurant.

The Tante Claire in Chelsea is the latest two-star establishment. New one-star entries are the Chewton Glen at New Milton, the Mallory Court at Royal Leamington Spa, the Chelsea Room at London's Carlton Tower Hotel, the Tiger Lee in Earls Court and Lichfields in Richmond.

There are now fewer one star restaurants thanks to the deletion of seven properties in the new Michelin listings.

Michelin lists 3,331 Britissh and Irisht hotels and 1,172 restaurants in 1,6697 localities. It is the seventh year of Michelin publication in the U.K.

1980 Michelin Guide to Great Britain and Ireland. £4.25.

RAF's helicopter ready for tests

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE FIRST aircraft of the RAF's £100m order for 33 Boeing Chinook helicopters —one is pictured above— is to be rolled out from the Boeing Vertol factory at Philadelphia, Pennsylvania, today.

After a period for flight tests, the aircraft will be delivered to the UK in August, and the RAF will thereafter be receiving Chinooks at a rate of two a month.

The aircraft will complement existing helicopters in service, such as smaller Wessex and Puma aircraft, in a support role with the Army in Europe. Each Chinook will carry up to 44 troops and equipment over distances of 250 miles.

The Anglo-U.S. deal on the Chinooks, signed in early 1978, includes a substantial volume of offset work for the UK.

Although the airframes and engines for the twin-engined Chinook are being built in the U.S., most of the internal electronic and other equipment is being supplied by UK companies.

The RAF is planning to have two squadrons of Chinooks together with a small training unit. Of these, one squadron and the training unit will be based in the UK. at Odiham, with the other squadron in West Germany.

Over 800 military Chinooks have been ordered by armed forces in the U.S. and other countries.

A commercial version of the aircraft is also under development, of which a number have been ordered by British Airways and Bristow Helicopters in the UK, who will use them on North Sea oil and gas industry support duties, as well as in other roles.

Building control changes given mixed reception

BY ANDREW TAYLOR

GOVERNMENT PROPOSALS which could lead to radical changes in the system of monitoring and enforcing building controls have received a mixed reception.

Mr. Michael Heseltine, Environment Secretary, has proposed that the scope of building regulations should be reduced and the private sector should play a greater role in enforcing controls.

In reply, the Association of District Councils has said that the responsibility for enforcing controls should remain with local authorities but that it would welcome greater involvement by construction bodies which could assist with the inspections of buildings.

The association was, however, concerned that local authorities should be so highly exposed to legal action as a result of the failure of builders to comply with controls. The prime responsibility should rest with the builder and his professional advisers, it recommended.

It would, however, like to see some relaxation in the scope of building regulations, with exemptions for minor construction works such as the erection of garages and greenhouses.

The Incorporated Society of Valuers and Auctioneers said yesterday that it would like the responsibility for "building controls to be taken out of the hands of local authorities "and into the orbit of the Department of Environment."

The society added, however, that local authorities should continue to be legally liable for enforcement if control was to remain in their hands.

Tory call for higher benefits

THE Conservative Party's women's national advisory committee has urged the Government to increase child benefits in the next budget. It says it is deeply concerned about the heavier financial burden which will fall this year on families with children.

It calls for an increase in the allowances next year to stop the financial position of people with children continuing to deteriorate.

Teaching of maths 'little improved'

By Michael Dixon, Education Correspondent

MOST 11-year-olds have an elementary competence with numbers, but this is generally not founded on any deep understanding of basic mathemtaical processes, according to a Government research report published yesterday.

The report by the Education Department's assessment of performance unit is based on maths tests conducted in 1978 among 12,711 English and Welsh children aged 11—just before most of them left primary school for the usually more formal teaching of secondary schooling.

Since the study is not comparable with previous inquiries into maths attainment, it does not show whether "standards" have risen, fallen, or stayed the same.

But the findings suggest that little, if any, gain has been made by the tendency of schools in the past 20 years to move away from rote learning of arithmetical skills towards the teaching of underlying mathematical concepts.

Average

Fractions seemed a general bugbear, but there was also a poor understanding of place value in the decimal system.

When asked to subtract two figures which had different numbers of decimal places, only 25 per cent succeeded.

Estimating also caused widespread difficulties. Told to estimate the height of the average man in metres, more than a quarter put it at 20 to 200 metres.

The majority were caught by questions involving averages. Asked to work out Geoffrey Boycott's batting average from 500 runs scored for five times out, only a quarter achieved the right answer even though all had been told that a batting average "is found by dividing the number of runs scored by the number of times out."

More than a third of the children believed they could guess what would be the outcome of rolling a dice more often than the result of tossing a coin.

Mathematical Development. HMSO; £5.

Industrial bodies 'puzzle investors'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

POTENTIAL industrial investors in the UK are likely to be bewildered by the large range of different authorities they have to consult before any decvlopment can take place, the Fraser of Allander Institute said yesterday.

The institute, based at Strathclyde University, Glasgow, said the industrial promotions effort of the UK and of Scotland particularly was in danger of lapsing into chaos.

A large number of bodies, such as new towns, local councils, government departments, the Scottish Development Agency and the Highlands and Islands Development Board, were indulging their own sectional interests.

This contrasted sharply with the position in Ireland, the UK's main rival for U.S. investment, where the Irish Development Authority had complete control over promotion.

The institute's criticism, in its quarterly economic bulletin, is highly relevant to Scotland, which depends heavily on foreign investment to modernise its manufacturing base.

Last year Scotland lost out to Ireland in a battle to secure a plant being planned by the U.S. microprocessor manufacturer Mostek. The two countries are competing for a similar development from Rockwell International.

The Fraser Institute says the question of industrial promotion is likely to become more important this year, when there will be less "free-floating" investment available to relieve the chronic unemployment problems of areas like Scotland.

Although the Irish structure may not be ideal for Scotland, the Government must move towards a more unified approach to its efforts to win investment from overseas.

The present confusion not only bewilders potential investors, leading to uncertainty about the role and the powers of the particular body which makes the initial approach, but also leads to competitive bidding between different groups seeking to attract jobs to their own areas.

Quarterly Economic Commentary, Vol. 5, No. 3. Fraser of Allander Institute, 100, Montrose Street, Glasgow. £1.

Ulster unemployment may hit record 17%

BY STEWART DALBY

UNEMPLOYMENT in Northern Ireland could rise to a post Second World War record of 17 per cent this year on pessimistic assumptions, management consultant Coopers and Lybrand said yesterday.

The group paints a gloomy picture of the soaring unemployment and declining output in manufacturing industry in the province in its first major assessment of the region's economy.

The group says on similar pessimistic assumptions output in manufacturing industry could fall as much as 4 per cent this year.

Output in manufacturing industry has already declined since June, 1973, by 9 per cent, compared with the UK average of 4 per cent, says a document issued by the group.

But the document says that on slightly less pessimistic assumptions unemployment would probably reach 15 per cent this year, which would translate into a seasonally adjusted average of 13½ per cent.

The current unemployment level is 11.5 per cent, compared with a national average of 6.1 per cent.

The reason is the effects of the recession in Britain, and the fact that Northern Ireland's manufacturing industries are declining ones. The manufacturing sector is dominated by textiles, shipbuilding and engineering. In all these areas order books are shortening.

Employment in the police and the auxilliary forces has pushed up the level in the services sector so services now acount for just over 70 per cent of the workforce of 513,000 compared with 53 per cent in June 1973.

The findings have been questioned by Mr. John Simpson, senior lecturer in economics at Queens University, Belfast. He felt the employment forecast was too pessimistic and that it was a dubious exercise to base it just on one year.

APPOINTMENTS

Graham Lacey joins National Carbonising

Mr. Graham Ferguson Lacey has been appointed executive chairman with special responsibility for the energy related sectors of the NATIONAL CARBONISING COMPANY. Mr. Michael Gaze remains deputy chairman with executive responsibility for the carbonishing and minerals divisions.

★

MORGAN GUARANTY TRUST COMPANY OF NEW YORK has made management changes at its London offices to take effect later this year. In April, Mr. Alfred M. Vinton, Jr., will succeed Mr. John W. Lapsley as vice-president and general manager of the bank in London. Mr. Vinton is currently the general manager of Saudi International Bank in London (see Financial Times, January 30, page 23). Before joining Saudi International Bank he was vice-president in charge of the Latin American territory of Morgan Guaranty in New York from 1972 to 1977. He joined the Morgan Bank in 1962. Mr. Lapsley, who has been general manager of the London offices since March, 1978, and assistant general manager from September, 1974 to 1978, will return to New York where he will be the personnel liaison officer at Morgan Guaranty's trust and investment division.

★

Earl of Airlie has been appointed a director of THE ROYAL BANK OF SCOTLAND from February 1. He is chairman of Schroders, the holding company of the Schroder Group, and a deputy chairman of General Accident Fire and Life Assurance Corporation Limited. He is also a director of Scottish and Newcastle Breweries and chairman of Ashdown Investment Trust. Three general managers have also been appointed from March 1. Mr. Ian W. Dunlop, assistant general manager (Northern region), is to be general manager (Northern region). Mr. Alexander J. Reid, assistant general manager manager (Southern region), is to be general manager (Southern region). Mr. J. S. Yuill, assistant general manager (Glasgow), will become general manager (Glasgow).

★

Mr. William Werner, a 25-year veteran of the General Motors organisation, has been appointed chairman and managing director of GENERAL MOTORS LTD., the corporation's administrative support arm in the UK. He succeeds Mr. Robert White, who is returning to the Detroit headquarters. Mr. Werner joined GM Ltd as finance manager late last year. For two years previously he had been comptroller of GM's diesel equipment division in the U.S.

★

Bell Nicholson (Holdings) has formed a subsidiary reinsurance broking company to be known as BELL NICHOLSON HENDERSON (U.S.A.) INC., operating from New York. The directors will be: Mr. John A. Edwards, president, and Mr. Patrick S. Bell, Mr. Allan Henderson and Mr. R. J. d'O Hope.

★

Mr. Colin F. Popham, deputy chairman and managing director of the Bowater Corporation, has been appointed a non-executive director of JOHN MOWLEM AND CO.

★

Mr. David G. Phillips has been appointed marketing director at STERLING INDUSTRIAL, Sheffield, a member company of the Sterling-Winthrop Group. He was formerly marketing controller.

★

Mr. Charles M. Doscher becomes chairman of OCCIDENTAL CHEMICAL EUROPE, on February 1. Until recently he was senior vice-president of Dow Chemical Europe.

★

At WILLIS, FABER AND DUMAS, Mr. Frank Walker has been made a director.

★

Troutbrook Holdings has purchased the whole of the capital of D.A.G. Investments. As a result, Mr. D. Parry-Jones (chairman), Mr. E. G. Dillon and Mr. S. M. Brown have joined the Board of D.A.G. INVESTMENTS.

★

Mr. Murray Stuart-Smith has been appointed a member of the CRIMINAL INJURIES COMPENSATION BOARD.

★

Following the merger with Oil Exploration (Holdings) (OEH), LONDON AND SCOTTISH MARINE OIL COMPANY (LSMO) is making the following Board appointments on February 1: Mr. Hector Watts, managing director of LSMO, becomes managing director and chief executive. Mr. R. E. Fox, managing director of OEH and a director of LSMO, becomes managing director, exploration and production. Mr. E. G. Barnard, executive director of OEH, becomes executive director. Mr. D. A. Ferguson, formerly finance director of Lloyds Bank International, is appointed a director.

★

Mr. John Cockroft, former M.P. for Nantwich, and now economist with Duff Stoop and Company, has joined the Board of RSJ AVIATION.

Speaker allows Bill on televised debate

BY PHILIP RAWSTORNE

MR. BERNARD WEATHERILL, Deputy Speaker, yesterday used his casting vote in the Commons to allow the introduction of a Bill for the televising of Parliament.

Voting on the issue had been tied 201 for, 201 against.

On three previous occasions, MPs have rejected moves to televise Commons proceedings.

This time, amid cheers from the Bill's supporters, Mr. Weatherill broke the deadlock "to give the House an opportunity of reconsidering the matter."

Commons' procedures still present formidable obstacles to the passage of the legislation, however, and the chances of its enactment seem remote.

The presentation yesterday of the Bill itself made entertaining viewing.

Mr. Austin Mitchell, a television personality before he became Labour MP for Grimsby, sponsored the proposal for a Parliamentary Television Unit.

"This is a serious attempt to bring this House to the people of our country," he declared.

No modern Parliament could remain a closed debating chamber, Mr. Mitchell said.

"This House is essentially a stage on which the party battles are fought out."

Electors should be given a close-up of the scene. "It is no use saying they should queue for the gallery, pay £8 for a copy of Hansard, or rely on the garbled accounts of the quality papers."

Because the cameras could not record the real political conflicts, television staged its own debates, Mr. Mitchell said.

Telepolitics was driving out parliamentary politics.

Mr. Mitchell assured MPs that they would retain control of broadcasts.

Cameras would not be diverted from speakers to any exhibitionist display elsewhere in the Chamber.

Lights would be brighter, he admitted—"but this House can be unconscionably dim at times."

Radio broadcasts had certainly given that impression. "They have shown us in a bad light . . . given an impression of chaos and disorder. Television would show that we are not as bad as we sound."

Urging MPs to support the introduction of his Bill, he said: "This would put the House where it belongs—at the centre of this nation's affairs."

But Mr. John Stokes (C., Halesowen), suggested that Parliament's greatest days had been when none of its proceedings had been published.

"In those great days, it was deeds not words that mattered," he declared.

Television, said Mr. Stokes, was a branch of show business. "It must entertain continuously," and to do so it would exaggerate, sensationalise, trivialise and scandalise, he told MPs.

Warming to his opposition, Mr. Stokes probably guaranteed himself a few invitations from television talent spotters with a hilarious review of the prospects.

"Members would inevitably try to hog the cameras," he said. Mr. Mitchell himself, in a recent television programme, had scarcely allowed two other MPs the chance to get a word in.

"Television is obsessed with irrelevant details," Mr. Stokes accused. It would focus on the flamboyant, settle on sartorial excesses and encourage the show off. Cameras would look for yawns and record the occasional nap.

Constituents would be peering nightly into the screens to see if their MP were present—"not realising that much good work is done in the smoking room."

Members would have to rehearse speeches at home in front of a mirror, for they would be judged more on public performance as actors rather than by their real work.

With 55m people watching, Mr. Stokes added ironically, the Commons could not preserve its intimate atmosphere. It would be turned into a spectacle of the hustings.

Every week, MPs prayed for godly and quiet government, said Mr. Stokes. If the cameras came, hysteria would surely follow.

Richard Evans, Lobby Editor, and Arthur Sandles review the obstacles

No prospect for early broadcasts

THERE IS no prospect of the early televising of Parliament despite the drama of yesterday's decision in favour thanks to the casting vote of the Deputy Speaker.

For a start, the formula used to engineer the vote, a 10-minute rule Bill moved by Mr. Austen Mitchell (Lab, Grimsby) means that there will probably be no further opportunity for debate.

More important, the televising of Parliament continues to have formidable opponents on both sides of the House, both on grounds of principle and grounds of cost.

It was being said unofficially that it was inconceivable the Government would be willing to find the £4.5m estimated capital cost of setting up the Parliamentary unit in the present economic climate.

The only members of the Cabinet to vote for the scheme were Mr. Norman St. John-Stevas, leader of the Commons, and Mr. Mark Carlisle, Education Secretary. There is a clear indication of the lack of enthusiasm within the Government at least in current circumstances.

Mrs. Margaret Thatcher, who abstained, is known to be cool on the idea at the best of times and adamantly opposed now.

Historic

From the shadow Cabinet, Mr. Michael Foot, Mr. Denis Healey, Mr. Roy Hattersley, Mr. John Silkin and Mr. Eric Varley were in favour. Mr. David Steel was the only party leader to support it.

But despite the bleak outlook, the vote, by 201 to 200, was an historic one. On three previous occasions attempts to persuade the Commons to televise its proceedings have failed.

Ironically, the closest vote was the first, back in 1966 in the flush of the Crossman procedural reforms, when a close-circuit experiment was rejected by one vote.

The majority against televising Parliament in 1975 was 12 when the Commons voted in favour of the radio experiment. The last division was in July 1978 when a 10-minute rule Bill similar to yesterday's was turned down by 181 to 161.

There was an impressive turn-out yesterday on a quiet Parliamentary day with a weak whip but nevertheless over one-third of MPs did not vote. The obvious assumption was that a majority of the absentees were either opponents of television in the House or simply not interested.

Advocates of televising Parliament, surprised at the degree of support they received thanks partly to the influx of new younger MPs, will now keep up their pressure.

The next stage will be to try to force a further definitive vote this session—a Bill is not needed—but the indications yesterday were that this will be opposed by the Government's business managers. They have no time to spare in a crowded session and believe the outcome would again be inconclusive.

Control

Televising the Commons in action would be such a complex and expensive task that even if the politicians were in overwhelming favour it would be some time before pictures could be seen.

There are basic disagreements between MPs and broadcasters over the form of Commons television and there would be inevitable long arguments over who pays for the service; on what channels it is shown; where space could be found for additional staff in the parliamentary complex; and who would have ultimate control over material.

Arguments over control are likely to be thorniest problems. Both the broadcasters and the Commons have learnt from their radio experience. The parliamentarians seem in favour of preserving control themselves in order to prevent television focusing only on the more lively extravagances of members.

The BBC and ITV regard this approach as unacceptable and would seek full editorial control. "It would be like televising a football match without covering the goals or the fouls," said one BBC broadcaster.

Communists launch drive against ban

BY ALAN PIKE, LABOUR CORRESPONDENT

COMMUNIST MEMBERS of the Right-wing led Electrical and Plumbing Trades Union have launched a campaign against the ban, imposed after the 1961 ballot-rigging trial, on party members holding union office.

They have claimed in a booklet entitled End the Ban, that their union's attitude towards political and industrial affairs generally is dictated by "an intense anti-Communist approach" wit ha "kind of siege mentality that prevents genuine democratic policies emerging." Provisions in the EPTU rule book debarring Communists are described by the group as "blanket discrimination."

The booklet recalls the ballot-rigging trial which gave rise to the ban—which has been maintained by subsequent EPTU rules revision conferences in spite of efforts to have it lifted.

"It is not our intention to brush over the past as if it were of little concern. Trade unionists of every persuasion learn from history. Communists are no exception.

"The ballot-rigging trial, in which five union officers who were also Communist Party members were found guilty of fraud, was a traumatic experience for Communists throughout the country, the vast majority of whom both reject and condemn the use of fraudulent means to win elections."

The booklet says that while what happened 20 years ago cannot be erased, it has been used against every Communist EPTU member ever since. It argues that since 1962, "under the name of reforms" a vast reshaping of the EPTU has occurred which has had the effect of undermining rank and file strength and placing authority at the top of the union.

Before 1962, all full-time officials and branch officers were elected and policy conferences held annually. Now there were "appointments in place of elections; industrial conferences and committees without powers in place of monthly area committees with powers of decision; policy conferences biennially instead of annually."

The booklet urges all Communist Party members to join a "sustained effort to win support for ending political discrimination in the EPTU" and calls upon other trade unionists to join the campaign.

"We are of the view that we should not wait until the 1983 rules revision conference for our non-Communist colleagues to speak out," adds the booklet.

Closed shop now extends to nearly one worker in four

BY PHILIP BASSETT, LABOUR STAFF

THE CLOSED SHOP now covers about a third more workers, totalling 23 per cent, in Britain than 15 years ago, when it was 16 per cent, over a wider spectrum of industries, says a survey on the extent of the closed shop published yesterday by the Department of Employment.

The report, second in a series written as background to the provisions on the closed shop in the Government's Employment Bill, says that closed shop practices cover at least 5.2m employees, 23 per cent of the workforce, compared with 3.75m, or about 16 per cent, when the last major survey on the issue was conducted some 15 years ago.

The new study, by a team from the London School of Economics under the Department's sponsorship, shows that only a minority of workers in closed shops are in pre-entry shops, where a union restricts entry to its own ranks while insisting that job applicants must be union members.

Only 16 per cent, or about 837,000, of those under union membership agreements are in pre-entry shops.

The number has risen from about 750,000 at the time of the last study, though the new report suggest that the 1964 figure was a considerable underesimate at the time. The industry with the largest number of pre-entry shops is printing and publishing, accounting for 20 per cent of all pre-entry workers.

The study notes the marked increase of the closed shop among white-collar workers. Fifteen years ago only 3.5 per cent of them were in a closed shop; now the figure is 11 per cent, about 1.1m workers or about 22 per cent of the total closed-shop work force.

The industries with the highest proportion of workers in closed-shop agreements are mining (87 per cent); gas, water and electricity (80); paper, printing and publishing (66); shipbuilding (57); and transport and communications (56 per cent).

Industries where the number in a closed shop has significantly increased since the 1964 study include public utilities, 8 to 80 per cent; transport, 23 to 56; food, drink and tobacco, 4 to 40; and clothing and footwear, 7 to 23 per cent.

Democratic Alliance candidates will fight Left-wingers at polls

BY ELINOR GOODMAN, LOBBY STAFF

THE SOCIAL Democratic Alliance, the organisation claiming to be fighting for the silent moderate majority within the Labour Party, will today announce its readiness to put up its own candidates to fight extreme Left-wingers standing under the Labour banner. In so doing, the organisation is effectively ensuring that it will be thrown out of the Labour Party and so make it impossible to continue its fight from within.

At the last election, the Alliance enraged Labour members on both wings of the party by urging voters not to support extreme Left-wingers standing as Labour candidates. Partly as a result of this action, their local Labour parties have been trying to expel the organisers of the Alliance from the party.

Until now, it had looked as if some Left-wingers on the National Executive would oppose their ejection on the grounds that Labour was a broad enough movement to accommodate both extreme Right-wingers like the Alliance and extreme Left-wingers like Militant Tendency. But putting up candidates to oppose the official Labour candidate is directly counter to the rules of the party and seems bound to lead to their expulsion.

The Alliance is circulating a list of its aims with a view to offering a "positive lead and rallying point to social Democrats and Democratic Labour people who are strongly opposed to the Left-wing take over of the Labour Party."

Yesterday Mr. Neville Sandelson, the most unashamedly Right-wing member of the Parliamentary Labour Party, stressed that he had no personal association with the organisation but that it was inevitable that groups of this kind would have an increasing influence.

The Alliance document, he said, was a consequence of the "deepening schism in the Labour Party." It seemed certain, he maintained, that there would be a crop of "double Labour candidatures" in many constituencies at the next election, thus virtually ensuring a Tory victory.

The Alliance does not seem to be setting out to woo the Liberals in its bid to develop the centre ground of politics. In its literature, it describes them as "inchoate and eccentric, unable to build a national consensus." Instead, it is looking for support among disillusioned Labour voters.

Heritage Fund given big tax boost

BY IVOR OWEN

TAX RELIEF beyond that normally accorded to charities is to be given to the new National Heritage Memorial Fund.

This was announced by Mr. Peter Rees, Treasury Minister of State, in the Commons last night, during the report stage of the National Heritage Bill.

The Fund which will give financial assistance for the maintaining and preserving buildings and objects of outstanding historic and other interests will come into being when the Bill becomes law, probably before Easter.

Mr. Rees said that this year's Finance Bill will include a provision which for tax purposes would give the Fund the advantages and no less than the advantages granted to charities.

In one respect, he said, the relief afforded for the new fund would go further by giving total exemption from Capital Transfer Tax.

Mr. Rees said it would not be appropriate to give the Fund all the provisions of charitable status as such because that would involve a whole variety of other obligations outside the fiscal field.

There was a warm welcome for this announcement and for a Government amendment which would enable the Chancellor of the Exchequer and the Environment Secretary to allow objects accepted in lieu of tax in situ.

Strikes cost industry 29m working days

BY OUR LABOUR STAFF

BRITAIN lost more than 29m working days last year through strikes, according to the Department of Employment. Fifteen major stoppages accounted for 23m days lost.

The total number of days lost through strikes, according to the Department of Employment Gazette, was 29,116,000. This is based, though, on very rough estimates of the number of days lost in the national engineering industry dispute.

The figure is, as expected, the highest since the year of the General Strike in 1926, when 162,233,000 working days were lost. The most recent previous high was in 1972, when 23,909,000 days were lost, mainly stemming from the miners' strike.

The 1979 total, though, is also in marked contrast to the annual average of 10,608,000 days lost through strikes over the previous ten years.

Corresponding figures for 1978 showed that 9,405,000 days were lost. The number of workers involved in strikes increased from 1,041,500 in that year to 4,454,100 in 1979.

The engineering industry dispute was the single largest contributor to the high total of days lost last year, causing 17,863,000 days to be lost.

Significantly, though, the largest group involved were those in the administrative, financial and professional services, with 1,951,400 workers taking part in disputes. The stoppages caused the second-highest number of days lost of 4,103,000.

Motor industry strikes, particularly at Chrysler, Vauxhall and BL, caused another 1,555,000 days to be lost.

Hosiery deal accepted by ballot

HOSIERY WORKERS yesterday accepted a two-stage pay agreement which will give overall increases of 15 per cent after a ballot of 45,000 workers showed a 4-1 acceptance of the National Union of Hosiery and Knitwear Workers' recommendation to agree to the deal.

SOGAT claims 28% rise

By Our Labour Staff

A CLAIM for an increase in minimum earnings of about 28 per cent, based on a basic wage of £80 a week, has been submitted by the Society of Graphical and Allied Trades on behalf of 110,000 members in general printing and provincial newspapers.

SOGAT is also seeking a cut in the working week for the new agreement, due on April 24.

Callaghan threatens to sack spokesman for ignoring whip

BY ELINOR GOODMAN, LOBBY STAFF

MR. JAMES CALLAGHAN has apparently warned at least one Left-wing member of his front bench team that he may lose his job if he continues to disobey the party whips.

Mr. Les Huckfield, one of the party's industry spokesmen, last week joined 50 other Left-wingers in voting against the Government's handling of defence when the official opposition line was to abstain. Mr. Neil Kinnock, Labour's popular front bench education spokesman, also voted with the Left.

Though there was only a one-line whip on the vote, it was apparently pointed out to Mr. Huckfield just before the division, that Labour's official line was to abstain.

At yesterday's joint meeting on defence of the shadow Cabinet and the party's National Executive Committee, Mr. Huckfield is understood to have maintained that Mr. Callaghan had written to warn him of the consequences of ignoring the whips again. Voting against the official opposition line, he said he had been told, would be interpreted as a sign that he did not want to continue as a member of the front bench team.

Mr. Huckfield is not a member of the shadow Cabinet itself but one of the larger group of front bench spokesmen. The position of front bench spokesmen on one-line whips is always a little unclear and Mr. Callaghan would certainly enrage the Left if he sacked Mr. Huckfield, let alone Mr. Kinnock. Both are members of the executive and an enforced resignation of this kind would be very unusual.

Yesterday's joint meeting of the NEC and the shadow Cabinet to discuss defence was, for the most part, a fairly low-key affair. But it may well be a forerunner of a much more intense debate within the party over nuclear weapons.

The existing differences between Mr. Callaghan's line and that of the executive may well be exposed at a meeting next week in Vienna of international socialists. Mr. Callaghan and Miss Joan Lester, chairman of the executive's international committee, are due to speak at the meeting.

Yesterday the executive demanded an explanation of why the Labour Government had apparently condoned expenditure on new nuclear weapons when the party manifesto was opposed to the development of a new nuclear deterrent.

Many Labour MPs were surprised last week when Mr. Francis Pym, the Defence Secretary, revealed that the Labour Government had continued the development of a secret programme, code-named Chevaline, which had been started under the previous Conservative Government.

Mr. Callaghan argued yesterday that his Government had not been going against the party manifesto when continuing the project as it had merely involved modernising an existing facility.

Committee appoints economic advisers

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE NEW Treasury and Civil Service Committee of the Commons has appointed special advisers representing a broad range of views on economic policy.

On public expenriture and economic policy the advisers will be Dr. Alan Budd of the London Business School, Dr. Paul Leild of stockbrokers Phillips and Drew, and Mr. Terry Ward of the Department of Applied Economics at Cambridge.

Mr. John Kay, research director of the Institute of Fiscal Studies, will advise the committee on tax matters. Other advisers may be appointed later.

The economic advisers have widely differing views about how the economy works. Dr. Budd of the London Business School has a broadly monetarist approach while Dr. Neild has built up a Keynesian-type of income and output forecasting model at Phillips and Drew. Mr. Ward is one of the New Cambridge group of economists headed by Mr. Wynne Godley which is very pessimistic about Britain's trade performance and favours general import controls.

Mr. Ward was the special adviser to the general sub-committee of the former Expenditure Committee. Dr. Budd has recently taken over as head of the Business School's Centre for Economic Forecasting from Professor Terry Burns, the new chief economic adviser at the Treasury.

The three economic advisers were chosen following interviews by the committee earlier this month and the submission of papers by them and economists at two other groups (the National Institute and the Economist Intelligence Unit) examining last November's spending White Paper.

The committee is at present conducting an inquiry into the efficiency of the civil service. It will wait until the Budget and the publication of the revised spending White Paper in March before conducting a detailed examination of economic questions.

The standstill danger facing Europe's biggest power station

THE SIX-MONTH dispute at the £560m Isle of Grain power station, the largest in Europe which threatens to bring work at the five-unit site to a standstill for the second time in its history, throws into focus the problem of growing disputes on on large industrial sites.

The Central Electricity Generating Board has been warning union officials and Ministers that the closure is likely since November. The Isle of Grain dispute is regarded by the CEGB and the Government as a test-case attempt to introduce discipline over soaring costs..

On the union side the dispute is seen as proof of the need for an industry-wide national site agreement.

Such an agreement is due for completion next month, though the union at the centre of the row the General and Municipal Workers' Union, will not be a party to it.

The 27 laggers, members of the GMWU, who insulate pipes and boilers at the Isle of Grain, went on strike in August.

The chronology of the dispute has been complicated by the history of labour relations at the site and the fact that the laggers were paid by a different bonus scheme than other workers.

It started in August, when because of a strike by scaffolders the employing company, Cape, Darlington and Newall, laid off four laggers.

Mr. Phil Kelleher, a GMWU shop steward, said the work force had decided on a "one out, all out" approach.

Shortly after the laggers' walk out the scaffolders returned to workfl The company informed the 27 laggers, six apprentices and 25 back-up pabourers there was not enough work for them to do and lay-offs would have to be made.

Though no figures were mentioned specifically, Mr. Kelleher says the figure of 12 lay-offs was generally floated.

By October 11 the union made the strike official, and has since renewed the support, though it is not paying strike pay. The strike's seriousness was underlined by strenuous attempts by the company to end it.

● NEWS ANALYSIS
ISLE OF GRAIN
BY GARETH GRIFFITHS

The company, under pressure from the CEGB to end its bonus scheme at the beginning of August. The scheme was based on measured output and averaged about £4.50 an hour.

The laggers were paid a basic hourly £1.40 under a national agreement with the Thermal Insulation Contractors' Association. This has since risen to £2 an hour. Bonus payments to the rest of the 1,600 manual workers at the site were covered by separate arrangements.

Bonus payments for these groups averaged between £1.85 and £2.40 an hour.. rejected it because of the lack of commitment over the bonus scheme.

The CEGB sacked Cape, Darlington and Newall, on December 5, and two weeks ago ordered work on the two units with least completed work to stop. On January 25 the board instructed its contractors to issue statutory 90-day redundancy notices to manual workers at the site.

The CEGB was determined from the beginning of 1979 to impose uniformity in bonus payments.

A survey on work done on one unit between February and June, 1979, by the company suggested that bonus payments were considerably in excess of work done.

The employers pointed out in June, 1979, that in the industry there had been an increase of 37.39 per cent in bonus costs, but no increase in productivity in the preceding year.

Mr. Kelleher said the laggers felt the attempt to replace their bonuses by a payment geared to general productivity figures went directly against the GMWU demand for a 35-hour working week and that arbitration by the Advisory Conciliation Service on September 25, 1978, provided for a self-financing productivity deal and a 35-hour week.

The CEGB had been concerned at the level of bonus payments by the company at the site, and the Board's team auditing the scheme was unimpressed.

The company had said the laggers deserved the money. Mr. Malcolm Collar, another lagger shop steward at Grain, said their work was skilled, and needed a four-year apprenticeship, with top-up on the job training.

A meeting on November 1 with the laggers' local shop stewards: Mr. Frank Earl, GMWU national officer; and Mr. Tony Lusby, the union's London regional officer, offered a package of back payments to the start of the dispute, holiday pay and a lump sum, thought to be about £550 a person.

No debate on fish plans angers MPs

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. PETER WALKER, Minister of Agriculture, came under fire in the Commons yesterday for reaching a series of fishing agreements with the EEC before MPs had a chance to debate the subject.

He was reporting back to the House on the Council of Ministers' meeting in Brussels on Tuesday, where agreement was reached on total allowable catches for 1980, and on the introduction of a Community system of catch reporting.

Mr. Roy Mason, Labour agricultural spokesman, complained that Mr. Norman St. John-Stevas, the leader of the House, had promised that a debate should take place before decisions were reached. The all-party Scrutiny Committee on EEC legislation, had also called for a debate.

This undertaking had been dishonoured by the Government, and reneged on by Mr. Walker. Mr. Mason demanded that Mr. St. John-Stevas should make an early statement explaining what exceptional circumstances had led the Government to disregard the decision of the Scrutiny Committee.

Mr. Julius Silverman (Lab., Erdington), the committee chairman, said the decision in Brussels had been taken in flagrant disregard of the Government promise to hold a debate.

Mr. Walker, however, protested that he had not disregarded the House. He pointed out that there had been a whole range of fisheries questions waiting for debate since before the present Government took office. He was quite willing to have a debate in the House.

Turning to the Brussels discussions, Mr. Walker said the agreement on total allowable catches took account of the need to conserve stocks and would form a good basis for further decisions on an effective Community conservation policy.

Significant progress had also been made towards agreement on a revised common fisheries policy.

Mr. David Penhaligon (L., Truro) objected that the present position on catch reporting was "an abject and miserable farce."

Mr. Walker told him that the only way fishing would be conserved in the South West of England, was if a sensible system of catch reporting was adopted. The Council of Ministers had agreed to attempt to create such a system.

"Without it, fishing both in this country and Europe is going to be finished within a tolerably short period of time," said the Minister.

Mr. Alex Pollock (C., Moray and Nairn), wanted an assurance that there would be no sell out of British fishing interests in return for agreement on other aspects of EEC policy.

Mr. Walker promised that there never had been and never would be any question of a sell out. He emphasised that he had been engaged in straightforward negotiations in fishing. There had been no suggestion from our Community partners that if we gave way on fishing, they would give way on other matters.

THE MARKETING SCENE

Retailers toast new profits sauce

BY MICHAEL THOMPSON-NOEL

BRITAIN'S MAJOR grocery buyers must have custard on the brain. In an imposing little ceremony at the Café Royal last week, Super Marketing magazine revealed the outcome of its survey of the top 20 new products launched through the grocery trade last year.

It was one of those back-slapping occasions attended by marketing and sales chiefs and their glossy retinues: PR-ettes in furs and tinted sunglasses and agency account managers clutching expensive shoulder luggage. The name of the game on these occasions is to *look* like a winner, even if the product for which you are responsible is only voted 17th (Beecham's Stick Up solid air freshener), or even 20th, like Smiths Square Crisps.

What proved a genuine shock to the system was to discover that, according to this poll, the top new British grocery product of 1979, out of more than 600 launched nationally or regionally, was yet another instant custard.

The poll is based on sales of all grocery multiples, most of the symbol groups' central offices, all major Co-ops, and most major cash-and-carry *wholesalers*.

Voted best new grocery product of 1979 was Bird's Whisk & Serve instant custard from General Foods, which is remarkable—even downright odd—in that the top new grocery product of 1978 was . . . Brown and Polson's Instant Mix Custard, followed, in third place, by Batchelors' Quick Custard.

In the latest poll, the second-placed product was Lambert & Butler's King Size cigarettes; the top-rated *new alcoholic* drink (but only 19th overall) was Whitbread's Heldenbräu lager.

How to explain the grocery trade's infatuation with instant custard? Having been beaten to the punch by Batchelors and Brown and Polson, General Foods wins no Brownie points for get-up-and-go; on the other hand, the Bird's name still walks tall in the market for traditional custard powders (at present it has around 60 per cent), and a Whisk & Serve variety (in four flavours, including raspberry) was bound to be a winner. Within three months of its launch last April, Whisk & Serve had 49 per cent of sales. That is currently down to around 31 per cent, but a £1m advertising campaign via Benton and Bowles planned for this year should bolster share.

Sales of instant custard are at present worth £9m at RSP. According to Super Marketing, *the total custard market*, including traditional powders and cans, could reach £30m by the end of 1980.

By all accounts, the instant varieties have taken nothing away from the traditional powder sector, which is what the retailers like: they have discovered a brand new profits sauce.

The runner-up to Whisk & Serve was Lambert and Butler King Size cigarettes, brazenly described by Brian Cloke, marketing director at Wills, as a "classic marketing case history." Helped by an initial 7p-off price offer, L&B quickly established itself. Its share has dropped as the price has risen, but in a king size market worth approximately £2.1bn, even 3 to 4 per cent is highly welcome.

The top toiletry product on Super Marketing's list was Lever Brothers' Pink Marble Shield soap, whose introduction alongside the original green-marbled Shield has taken Lever's share of the £55m toilet soap market to around 33 per cent.

In the current issue of Super Marketing, Peter Kraushar, chairman of Kraushar Andrews and Eassie, the new product specialists, emphasises that the growing sophistication of grocery buyers is making it ever more necessary that new products be distinctive.

Not that distinctiveness means that manufacturers must reinvent the wheel. "A simple idea well executed will usually suffice," says Mr. Kraushar, quoting, as examples, instant noodles, "lite" beers, Fivepints, Loctite, Persil Automatic, disposable razors, pizzas, Jif cleaner, tea bags, Baileys Irish cream, Yorkie, Double Decker, McVitie's United, Head and Shoulders, Horror Bags, Pennywise biscuits and Weetaflakes.

Whether Bird's Whisk & Serve eventually earns the right to join a list such as that remains to be seen. Who knows, on past form the grocery trade's winner for 1980 could be yet another instant custard.

MEAL's top brands of '79

BY DON BECKETT

ONCE AGAIN, retailers dominate the current list of Britain's most heavily-advertised brands. Once again, Boots is top. And once again, the league-type relegation system that governs such lists has thrown up numerous interesting changes in the pecking order.

For the fifth year running, retailers dominate the list of most heavily-advertised brands compiled by Media Expenditure Analysis. In 1979 this dominance was so pronounced that retailers occupied nine of the top ten places, and 14 of the top 20.

In 1978, Boots had a lead of more than £2m over its nearest rival, Co-op National. Last year its closest pursuer was Woolworth. Williams (down to 26th), Asda (14th) and Allied Carpets (15th) have quit the Top Ten, to be replaced by Comet Warehouse, BR Inter-City and the Debenham Group.

The appearance of Inter-City brings a non-retail brand into the MEAL Top Ten for the first time since 1977. For those who *do not readily accept* that retailers are "brands" at all, an alternative Top Ten, which excludes retailers, promotes Inter-City to the head of affairs, followed by Benson & Hedges Special Filter, £2.56m; NDC Milk, £2.48m; Philips Television, £2.47m; Wills Embassy No. 1 King Size, £2.41m; Halifax Building Society, £2.34m; B&H Silk Cut K/S, £2.17m; MMB Milk, £2.03m; National Westminster Bank, £1.99m; and British Airways, £1.92m.

The non-retail list is relatively volatile. 1979's rank order has a very different look about it from that of 1978. Seven of the top brands of 1978 (Esso Corporate, Post Office Call Stimulation, Austin Morris, Midland Bank, British Gas Cookers, Bottled Guinness, and Rothmans K S Filter) have been replaced, leaving only NDC Milk, British Airways and B & H Special Filter.

Reviewing these figures brings to mind yet another debate over definitions. Even though MEAL lists Co-op Local and Co-op National as two separate brands, many people feel that the two sets of advertising expenditures should be aggregated. If this aggregation had been carried out in 1977, 1978, or 1979, the Co-op in total would have exceeded the Boots figure.

TOP ADVERTISED BRANDS 1979

		(£m)
1	Boots Store	6.29
2	Woolworth Ntnl.	6.17
3	Tesco Checkout	5.08
4	Co-op Local	4.61
5	MFI	4.54
6	Co-op Ntnl.	3.43
7	Comet Warehouse	3.19
8	Currys	3.02
9	BR Inter-City	3.00
10	Debenham Group	2.96

Source: MEAL

However, my own view is that in quoting MEAL figures we should adhere to MEAL's definitions, so we shall not add together the different figures for Co-op, for Milk, for Guinness (Bottled and Draught) or even for B & H (Special Filter and Silk Cut).

The other points which must be stressed when studying MEAL is firstly that it monitors card rate and not actual expenditure; second, it covers Press and television only, and therefore excludes expenditure on other media such as radio, outdoor or cinema. However, we would probably not find much variation in the Top Ten lists anyway, although there would certainly be changes further down.

Nine out of the Top Ten advertisers of 1979 allocated by far the larger part (from 62 per cent to 100 per cent) of their spending to Press, while the tenth (Woolworth) showed a mere 51:49 ratio in favour of TV. This predominance of Press, I feel, relates far more to the nature of the advertisers (and retail advertising) than to the ITV strike last autumn. Within the Press, retailers in all cases allocated by far the largest share of expenditure to newspapers rather than to magazines, only Boots having a magazine share (31 per cent) even approaching that of its newspaper spend (49 per cent).

In the non-retail Top Ten, the TV/Press and the newspaper magazine ratios are far more varied. Clearly the presence of three cigarette brands weights the overall pattern away from TV and towards Press. Of the remaining seven brands, four (NDC Milk, Philips TV, MMB Milk and British Airways) allocated more to TV than to Press. The other three (Inter-City, Halifax Building Society and National Westminster Bank) concentrated more on Press than TV, and far more on newspapers than magazines.

What can we make of the figures overall? Certainly the dominance of the retailers was maintained, and Boots has held on to the No. 1 position for a fourth year running. Compared with 1978, the average spending of MEAL's Top Ten rose from £3.96m to £4.23m, a somewhat higher rate (7 per cent) of increase than that for all display advertising generally.

The number of millionaire brands (those spending £1m or more on TV/and Press combined) grew by 6 per cent, from 104 to 110. To scrape into the Top 100 in 1978, Kellogg's Corn Flakes spent £1,043,000, but Queensway Warehouse achieved that position in 1979 with an expenditure of "only" £1,032,300. Thus there is a retailer at No. 1 and one at 100, and just for the record there are 30 more in between.

Don Beckett is a director of The Media Business.

BP: a £2m campaign to counter 'negative' image

Concerned by its image, BP has made a belated debut in the corporate advertising stakes after research showed it lacked personality

BP, ONE of Britain's biggest industrial concerns, has made a belated although apparently determined entry into the corporate advertising stakes, writes Michael Thompson-Noel.

No matter that the majority of its rivals are off and running. The initial campaign is costing £1m, but press ads, plus posters and more TV, will take the year's cost to £2m. The theme of the advertising is "BP: Britain at its best." The aim is to convince viewers that BP is British, successful, and more than just an oil company. As the press campaign develops, BP will probably address itself to specific issues, thought it does not see itself following in Mobil's evangelical footsteps.

Why the delay in entering the corporate stakes? After all, latest 12-month figures from Media Expenditure Analysis show Esso, Mobil and Shell as three of Britain's four biggest corporate advertisers, and *their* campaigns are well-established.

To date, BP has advertised its lubricants and North Sea activities. But in the face of major issues, including petrol price rises, conservation, pollution, the partial sale of its shares, and so on, it felt that corporate reticence *was no longer possible*. In any case, research carried out by ORC and MORI revealed that BP was seen as staid and lacking personality.

Knowledge of the group's international activities was limited, and levels of awareness varied considerably. It was just another oil company. To counter an image that was "inaccurate, confused, and in many ways negative," BP *briefed* six agencies.

The winner was Saatchi and Saatchi Garland-Compton, now Britain's biggest agency. According to Alan Gregory, the BP director responsible for external affairs: "Their solution was to use wit"—rather bland and platitudinous wit, it may be thought by those who have seen the first commercial, but then Saatchi was expressly attempting to avoid "brashness and jingoism."

Mr. Gregory says it would be wrong to view the corporate campaign in isolation from the rest of BP's varied external relations programme. Examples of sponsorship being undertaken this year include:—

- The BP Energy Research Prize, a scheme to encourage conservation research projects —£50,000 in the UK and a further £350,000 via its international associates;
- The Faraday Lectures—around £200,000 for the 52nd series of these lectures, which will be given at 16 locations to a total audience of 75,000.

BP is also a supporter of the arts. Current activities include support for thet Royal Academy, the Scottish Youth Orchestra, the Edinburgh Festival, and the new Barbican Arts Theatre and Shakespeare Trust. BP will also be making a £50,000 contribution to the Royal Opera House Development Appeal.

BP Oil, BP Chemicals, and BP Petroleum Development, the group's UK operating associates, also have substantial sponsorship budgets of their own.

BP says it will monitor its corporate advertising campaign closely to gauge its effectiveness. Let us hope it buys a little love.

AA's criticism endorsed

THE ADVERTISING Association has welcomed the report of the House of Lords Select Committee on European Comission proposals to control misleading and unfair advertising, published on Tuesday.

"In criticising the proposals the committee reflects our own views on the draft directive as it now stands," says Roger Underhill, the AA's director-general

"There is no doubt that the effectiveness of the British system of advertising control is now recognised both by the British Government and by the European Commission." It *seemed extraordinary*, therefore, that the Commission should continue to recommend changes that in practice would kill the UK system of controls.

Current EEC proposals, said the select committee, would invalidate the Advertising Standards Authority's regulatory role. They could also result in a slower redress of grievances and destroy the advertising industry's willingness to continue financing current voluntary controls.

The Minister for Consumer Affairs, Mrs. Sally Oppenheim, is expected to answer a parliamentary question on Monday on the progress of the joint Government-industry working party which has been studying ways to strengthen advertising controls.

● **CPC UK** has appointed TBWA to handle all its Knorr brands in the UK. Knorr billings this year are expected to total between £2.5m and £3m, taking TBWA's total to more than £15m. The decision means that Knorr packet and quick soups and knoodles move to TBWA from J. Walter Thompson, and Knorr stock cubes and sauces move from Boase Massimi Pollitt. TBWA is seen as one of the brighter creative agencies in the UK top 30. BMP retains several CPC products outside the Knorr range; JWT holds on to Brown and Polson's instant custard.

● **GOLDEN WONDER** is running a £1m campaign for Pot Noodle, its instant hot snack. The market could be worth £30m this year, perhaps £40m in 1981. Main rivals include KP Snack Noodles, Knorr Knoodles and Batchelors Snackpot.

● **LINTAS: LONDON** has appointed Rod Meadows as research director and Board member.

● **AYER BARKER** Hegemann, part of the Charles Barker Group and linked to N. W. Ayer in the U.S., is changing its name to Ayer Barker following the retirement of its former German partner, Dr. Hegemann. It will continue to use the ABH logo (for Ayer Barker Holdings).

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● **METALWORKING**

Control unit drive by Siemens

CLAIM BY the German electrical/electronics giant Siemens is that in machine tool control alone—a few per cent of the company's total business—it will soon be placing every third machine tool control unit in Europe.

Of the 8,000 NC units sold annually in Europe, 3,500 will be from a Siemens plant. The company's total turnover in this area is put at about £50m.

In the UK the figure for units to be fitted in 1980 is estimated by the company at about 1,000, of which Siemens expects to win 200—although it admits that the current state of the economy and of the machine tool industry does give cause for concern. If 1,000 machine tools were so fitted, UK marketing manager E. G. Cullen estimates that only perhaps 200 would have been entirely made in the UK.

With this as the backdrop, Siemens is nevertheless introducing over half a dozen new products at the Mach 80 exhibition (Birmingham, April 22 to May 2).

Probably the most important are new variants of the well known Sinumerik series, the model 6T for lathes and the 6M for drilling and milling machines. These are enhanced versions of the model 5 in which the performance has been improved by the use of a 16 bit microprocessor, bubble memory and improved numerical control circuits. The bubble store allows up to 95 main programs to be kept (up to 128,000 characters) and, of course, such memory is non-volatile—nothing is lost if the power fails. Functions and motions have been further expanded so that most types of work on most medium size machine tool can be accommodated.

A further new system is Sinumerik 8, a continuous path control for drilling and milling machines. Control can be extended to up to four numerically controlled spindles and the unit is intended for rapid manual program input at the machine without intervention of the programming office. Use of polar co-ordinate entry is said to ease data input.

The Sinumerik 8 also has bubble memory, to a maximum of 256,000 characters—up to 99 workpiece programs, equivalent to about 650 yards of paper tape.

New at the simpler end of the Siemens range is the Primo S, a compact three-axis positioning and straight cut control with a particularly easy manual input intended for workshop programming. Aimed at first time users of NC it can be fitted to milling machines and lathes with a central drive and three axis changeover. It has built-in program memory with a capacity of 440 program sets. Any desired working cycle can be achieved with the aid of sub-programs.

The company will also be showing its new Simatic S5 range of programmable controllers aimed specifically at the machine tool industry. These compact units snap on to a DIN rail and can be selected to suit the task. They range from units suitable for binary logic and sequential controls to devices for process digital and analogue signals. The S5 range can, therefore, perform digital, arithmetic, and closed loop control functions in addition to actual control tasks.

Other introductions include electrical drives for turret heads, mains and feed drives for machine tools, and electromagnetic clutches.

More from the company at Windmill Road, Sunbury on Thames, Middlesex TW16 7H7 (09327 85691).

Coating metal strip

TO ENSURE the correct coating of metallic strip passing through furnaces while hanging in a catenary between feed and take up rollers, a device called Precitec 303 is available from Symot, 22A Reading Road, Henley on Thames, Oxon RG9 1AG (04912 2663).

It is important says the company, *to control the catenary* curve by ensuring that the feed and take-up roller speeds are compatible at all times.

Precitec uses a capacitive sensing arrangement in which the strip itself is one plate of a capacitor, the other being placed below the lowest point of the catenary at a distance of about 150 mm.

The change of spacing of the two electrodes is converted to corresponding frequency changes externally, in turn converted to control signals for the supply circuits to the motors that move the strip. The sag of the strip is always corrected in the appropriate direction to give the catenary shape most suitable for the coating process.

A compensation circuit equalises irrelevant variations such as temperature and air conditions. Other forms of control (for example additional integration) can be applied.

For large plants, several furnaces can be controlled sequentially and experience shows that the maximum sag variation encountered is about ±50 mm at strip speeds up to 60 metres/min. Typically the sag is held within ±10 to 20 mm. The equipment is suitable for operation above 800 deg. C.

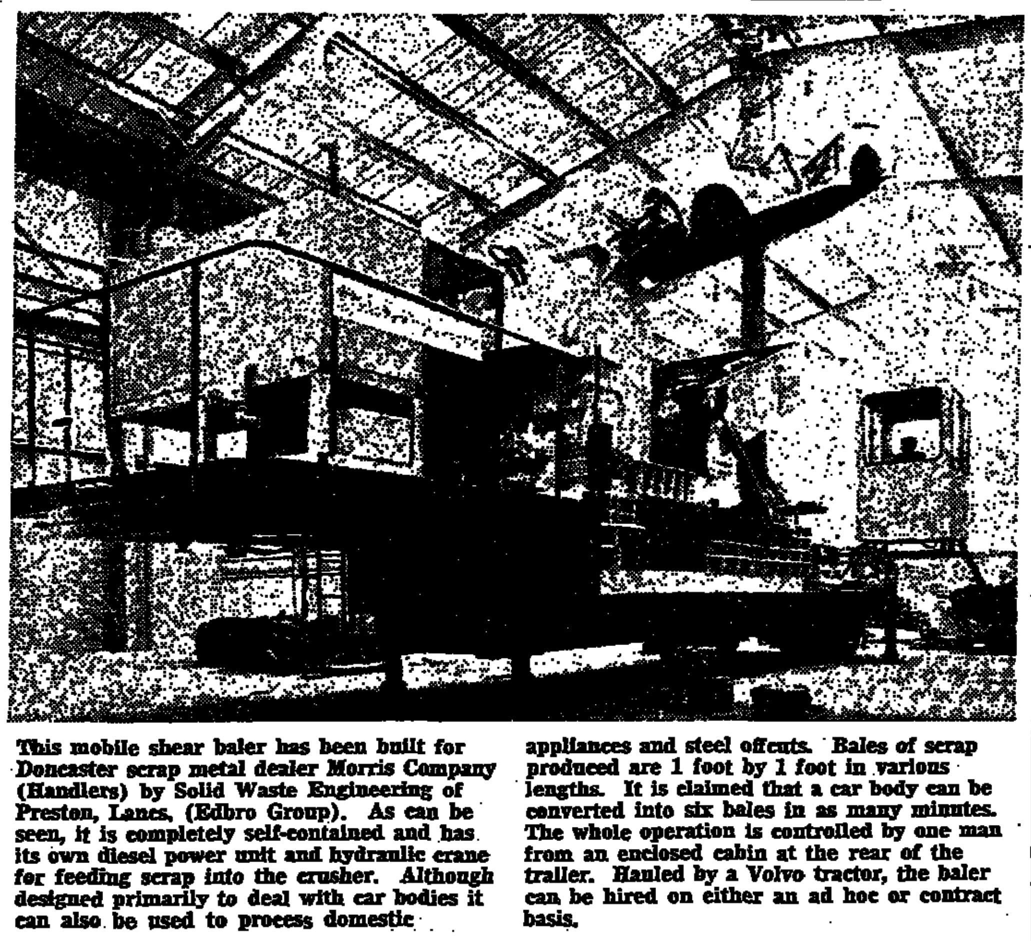
Twin-zone furnace cuts costs

INTENDED TO increase production rates where vacuum brazing and heat treatments are involved is a new design of vacuum furnace from Wentgate Engineers in which two hot zones are used instead of one.

Called Twinzone 7 (it has seven cubic feet of capacity in two zones of 3.5 cubic feet), the equipment has the advantage that the two zones work out of phase, one cooling down while the other heats up. The system is cost effective because the temperature programming, pumping system and power controls are common for the two zones. The only duplication is in the molybdenum heating elements, vacuum chambers and cooling systems.

Twinzone 7 enables higher output to be achieved than with single hot zones, particularly for high mass loads where the cooling times are long. It is claimed that the machine can give up to 100 per cent more production for under 60 per cent additional cost.

More from the company at the Industrial Estate, St. Ives, Huntingdon, Cambs. PE17 4LU (0480 63984).



This mobile shear baler has been built for Doncaster scrap metal dealer Morris Company (Handlers) by Solid Waste Engineering of Preston, Lancs, (Edbro Group). As can be seen, it is completely self-contained and has its own diesel power unit and hydraulic crane for feeding scrap into the crusher. Although designed primarily to deal with car bodies it can also be used to process domestic appliances and steel offcuts. Bales of scrap produced are 1 foot by 1 foot in various lengths. It is claimed that a car body can be converted into six bales in as many minutes. The whole operation is controlled by one man from an enclosed cabin at the rear of the trailer. Hauled by a Volvo tractor, the baler can be hired on either an ad hoc or contract basis.

● **HEATING**

Puts warmth where needed

LAST YEAR, Raychem of Swindon started to market a sheet heating system in which a constant heat output could be provided over a whole range of temperatures, without local heat spots.

It has now introduced a product which is essentially the inverse—a heating strip which is self-regulating so far as external temperature is concerned and provides heat where it is required.

Known as Auto-Trace, the strip consists of a core of carbon particles dispersed in a modified and irradiated polymer matrix, held between two copper bars. The whole is electrically insulated within a high performance polymer.

Where the external temperature is low, the polymer matrix cools and contracts, bringing the carbon particles closer together and increasing the number of continuous electrical paths between the bus bars in turn allowing higher current flow and greater heat generation.

Conversely as the temperature goes up, the particles tend to separate and the power dissipated is reduced.

The result is a self-regulating phenomenon which takes place independently and automatically along the length of the strip.

There are a number of advantages, the most important of which is that heat is supplied along the length of the strip as and where it is required. Frequently this will eliminate the need for temperature control units says the company.

Furthermore, even with excess insulation the temperature will not increase above the heater strip's rated temperature —important where delicate equipment is involved or where low melting point plastics materials are present.

Of great convenience is the fact that the strip can be cut to length without affecting the heat output per unit length at the relevant temperature.

Raychem can supply suitable terminating and strain relief materials to meet the needs of a specific installation. In general, the heater strip adds little weight or bulk to the parent equipment.

Applications found by the company so far range from damp chasing (removal) and temperature maintenance of aircraft equipment, to the de-icing of railway points, where installation savings of more than 80 per cent have been made when compared with series heater based systems.

Space heating is another prospect: Auto-Trace eliminates the possibility of overheating and fire hazard even when the heating elements are totally smothered in bedding and clothing.

More from the company at Faraday Road, Dorcan, Swindon, Wiltshire SN3 5HH (0793 28171)

● **NEW PLANT**

Pumping up production

PLANS FOR the further expansion of Mono Group's positive displacement pump business in the UK have been announced.

This follows the near completion of phase one of a capital investment programme at group member J. and E. Arnfield's factory at Audenshaw, Manchester.

First stage of the programme involved the investment of over £600,000 to double the capacity of the rubber shop. Six 400-ton semi-automatic presses have been added to the equipment as well as more rubber mixer rolling machinery, new boiler plant and associated steam heating equipment.

Phase two of the expansion programme is costing a further £½m. This covers installation of advanced numerical control machines and inspection equipment. This stage is scheduled for completion later this year.

● **MATERIALS**

Joins metal and plastics

BOTH METALS and rigid plastics can be joined, without preparatory treatment, by means of a quick-hardening two-component adhesive called Agomet F300.

This adhesive, manufactured by the Chemicals Division of Degussa, Frankfurt am Main, has a hardening time of about two minutes, and final strength is reached in about two hours. In addition to metals and their alloys, ferrites, and plastics it can also be used to join cellulose and timber-based materials, for example, loudspeaker diaphragms and chipboard panels.

JOBS COLUMN, APPOINTMENTS

Case of 'let us in, or we'll leave you out'

BY MICHAEL DIXON

ONE CERTAINLY can't complain about the service. Just a week ago the Jobs Column appealed for an inquiry and report about the need for accountants in the United Kingdom economy generally, similar to the recent exercise dealing with engineers. Perhaps both inquiries might be led by the same person—Sir Monty Finniston, I said.

The same morning the telephone rang and a matter-of-fact voice said: "I'm sure we can produce the report you want. Will next Wednesday be good enough?" It was good enough, all right. And as what at the time of the 'phone call was "next Wednesday," has since become yesterday, the report is already available for discussion.

But its preceding inquiry was neither as extensive nor expensive as the one into engineers; nor was it led by Sir Monty. The study was of the need for financial managers in industrial and commercial concerns. It was headed by Michael Julien, finance director of British Insulated Callender's Cables. Moreover, far from producing the whole caboodle in six days flat, as the previously reported telephone call might imply, Mr. Julien and his team of six other financial directors from large-scale industry have been working on the study in their sparse spare time for more than a year.

Since what they conclude is that chartered accountants are likely to become less and less suitable for conversion into financial managers in industry and commerce, it may seem odd that all seven of the report's authors are themselves chartered accountants. But that apparent contradiction is explained by their belonging to "The Hundred Group" of chartered accountants working outside specialist accountancy firms, and who seem dedicated to gingering up the official bodies of chartered accountants, which give a distinct impression of being dominated by the big professional practices.

So it seems improbable that the Julien Seven will lose sleep over the offence their report will cause to the directorate for education and training of the Institute of Chartered Accountants in England and Wales. The directorate—as I reported last Thursday—has proposed that while the institute should henceforth weed out inadequate candidates at an early stage of its qualifying process, it should continue obliging its future members to train almost entirely in professional practices.

This proposed continuation evokes from Michael Julien and his industrial and commercial fellows a response which, read between the lines, amounts to: "Rubbish!"

The chartered institutes, they say, need instead to approve the setting up of training programmes in selected business companies, as an alternative route to the chartered qualification. And the institutes need to be quick about it, too.

For otherwise, the broad channels through which more than half of the England and Wales Institute's 65,000 members have left professional practice for, mostly, lucrative jobs in industry, commerce and public services, will cease to be such an easy passage. The main reason is that financial management in these more general sectors increasingly requires people who have been trained to "navigate" a business's future progress, whereas the Julien Seven expect professional practices to concentrate their work and training increasingly on "scoring" their clients' past results.

They believe that the auditing work required of accountancy firms will become not only more extensive and sophisticated, but also more formalistic under bureaucratic pressure from Government, the European Economic Commission, and so on. Accordingly the distance between professional auditors and the financial staff of client-concerns will become greater.

"This will tend to reduce the (auditing specialist's) scope for independent and objective judgment," the report states. The same process is also likely to make "training in a professional accounting firm much less attractive to a graduate wanting to obtain a general financial grounding. . . There is therefore pressure for industry and commerce to develop their own people."

As they do so, chartered accountants coming with high salary expectations from decreasingly relevant professional work, are liable to be gradually squeezed out of contention by people with master's degrees in management and members of less proud accountancy bodies such as Cost and Management, Certified, and Public Finance.

In time, chartered accountants could well become a specialised auditing profession, virtually isolated from active financial management — a split which is already typical in Continental countries.

Such isolation might, I suppose, be viewed by many practising accountants as preferable to contaminating their branch of the profession by admitting people brought up in industry or even—if one dare suggest it—trade. If this view prevails, then I can conclude only that the chartered qualification will lose some of its present outstanding value, and that the chartered branch will become considerably smaller.

But I doubt that it could rightly call itself the élite branch any more. After all, the word "élite" implies "at the top," and you can't be at the top of something if you are standing aside from it, on your own.

Great outdoors

Before any such thing can happen, however, Tim Gauthier is seeking about three newly or fairly recently qualified chartered types with a side interest in shooting and fishing, not to mention ski-ing and perhaps fighting the occasional bear.

Mr. Gauthier, you see, urgently needs the trio to join him in the Dunwoody international accountancy firm's branch at Kenora in Canada, about two hours' drive from Winnipeg.

The weather tends to get a bit nippy—40 degrees below or so—during December-February when, unless you plug in your car to one of the numerous handily street-sited electric-heating sockets every time you stop the motor, the whole thing is liable to crystallise before you can start up again. But through the remaining months the temperature climbs above freezing to a summer maximum of 80 to 85 degrees, I'm told.

The firm expects no let or hindrance to non-Canadian recruits from that country's immigration authorities. Starting salaries are not high, being negotiable around 20,000 Canadian dollars. But early promotion to partnership is in prospect, and tax rates are said to be favourable, as are living costs in Kenora. A reasonably spacious house can apparently be had for about 50,000 dollars. Igloos come even cheaper.

Inquiries to Mr. Gauthier at PO Box 1400, Kenora, Ontario P9N 3XT, Canada.

Small back room

JAMES DENHOLM, of Financial Appointments, wants a numerate business analyst aged about 25-30 to assist the London-based group planning manager of a construction-type concern with a turnover of around £100m.

Part of a small head office team, the newcomer will be occupied mainly with capital appraisals, analyses of markets, studies of prospective acquisitions, and corporate planning using computer modelling. A management degree in addition to relevant experience would be helpful.

The starting salary indicator is about £9,250. Perks evidently include free lunches.

Inquiries to Mr. Denholm at 18 Golden Square, London W1; tel: 01-734 2603. Applicants who write should include their telephone number. Those who so request will not be identified to the employer until permission has been given.

Peterlee Development Corporation

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P TO £12,742

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Manager

External Environment Evaluation

London c.£11,500

This is a challenging appointment within the Business Strategy area of BL Limited, for an experienced, qualified economist.

He or she will be responsible for providing a service on economic matters and information on the motor vehicle and associated engineering industries to develop and decide on BL's business strategies, plans and policies for both domestic and overseas markets.

The successful candidate will liaise internally with Corporate Finance and Planning executives, heads of planning and economic functions of BL companies and their staffs and externally with government, academic and business association bodies concerned with economic forecasting and planning, especially related to the motor vehicle and engineering industries. It is likely that the man or woman we are seeking is currently employed as an economist in industry.

An excellent remuneration package includes a very attractive salary, together with a car plan, free BUPA cover and other big company benefits.

For details, please contact: Sheila Bray, Personnel Officer, BL Limited, 35/38 Portman Square, London W1. Tel: 01-486 6000.

BL Limited

OVERSEAS DEVELOPMENT

KNOW-HOW-vital to developing countries

Accounting Adviser — Tuvalu

The Adviser will initiate new systems to improve accounting and reporting, assist in routine problem areas, revise and update Financial and Stores regulations; he/she will work closely with all levels of existing Accounts Division staff and may be called upon to stand in for Senior Officers on overseas leave absences. Applicants must have an Accounting qualification and experience in Government Accounting. He/she should be prepared to live in an isolated community.

Appointment 2 years. Salary £12,100 pa UK taxable. In addition, a variable tax free allowance in scale £1,265-£3,590 according to domestic circumstances.

The post is wholly financed by the British Government under Britain's programme of aid to the developing countries. In addition to basic salary and overseas allowances other benefits normally include paid leave, free family passages, children's education allowances and holiday visits, free accommodation and medical attention. Applicants should be citizens of the United Kingdom.

For full details and application form please apply, quoting reference 228D stating post concerned, and giving details of age, qualifications and experience to:

Appointments Officer,
OVERSEAS DEVELOPMENT ADMINISTRATION,
Room 301, Eland House,
Stag Place, London SW1E 5DH.

ODA

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Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Finance Director

East Midlands From £15,000+car

Our client, turnover £10 million, is in the process/manufacturing industry. The position reports to the Managing Director and carries responsibility for the entire finance function. The ideal candidate will be a qualified accountant aged 35-40 with an in-depth understanding of costing, and demonstrable skills in man-management and communicating with non-financial personnel. The fringe benefits, including relocation, are generous.

Mrs. I.M. Brown, Ref: 19191/FT. Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

Financial Director

West Midlands — around £10,000 plus car.

As a result of a reorganisation our clients, a marketing orientated subsidiary (T/O £8m.) of a major public group, have created the post of Financial Director. The successful candidate will report to the local Managing Director and be an important member of the management team. He/she, supported by a small staff, will be responsible for the total financial and administrative functions including designing and implementing new systems with a computerised base. Applicants who are qualified accountants, male/female, aged 32-36, should preferably have already gained experience in the engineering industry, although their business-like approach to problems is as important as their technical experience. REF 1146/FT. Apply to R. P. CARPENTER FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel: 01-636 0761.

Phillips & Carpenter
Selection Consultants

BUCKMASTER & MOORE

Electrical & Electronic Analyst

We are looking for an Analyst to strengthen our present research effort on the electrical and electronic sectors.

Applicants could range from those with a few years' experience in a relevant industry, through to a senior person who is already an established figure in the investment analysis of the sector. An ability to produce written work to a high standard is essential.

Salary will be negotiable according to experience. Interested applicants should write to:
Gerry Risdon, Administration Partner,

Buckmaster & Moore
The Stock Exchange, London EC2P 2JT.
Telephone: 01-588 2868.

Financial Controller

c.£10,000+car — City

Fuller Peiser are well-established chartered surveyors, valuers and managers of commercial property who act for major commercial and industrial companies mainly in the UK. As a result of continued expansion, they wish to appoint a Financial Controller and Administrator to help improve and manage their accounting and administrative systems.

The job is the most senior financial appointment in a young professional partnership and requires an individual who can take responsibility for producing financial accounts, budgets and accurate management information.

Applicants, men and women, should hold a recognised accountancy qualification and have experience of using their professional skills to contribute to management decisions. Experience of a similar professional background would be particularly valuable.

Please write or telephone for a job specification and application form, quoting ref. 1280, to Fuller Peiser's advisers: Binder Hamlyn Fry & Co., Management Consultants, 227/228 Strand, London WC2R 1BZ, Tel: 01-353 5171.

FULLER PEISER
Chartered Surveyors
Thavies Inn House
3-4 Holborn Circus
London EC1N 2HL
01-353 6851 Telex: 25916

CORPORATE FINANCE

Scotland

ICFC Corporate Finance Limited requires an experienced Corporate Finance Executive to be responsible for the Company's activities in Scotland, where he or she will be based.

Suitable candidates will be likely to be working at present in a Corporate Finance Department of a Merchant Bank and therefore be capable of working with the minimum of supervision. A sound Scottish connection is essential, but this may have been gained other than in corporate finance work.

Salary and other benefits will be competitive.

Please write giving details of experience, salary and career to date to:—

N. M. Williamson, Director,
ICFC Corporate Finance Limited,
91 Waterloo Road, London SE1 8XP.

All applications will be treated in strict confidence.

ICFC CORPORATE FINANCE LIMITED
a subsidiary of
Finance for Industry Limited

LLOYD'S UNDERWRITING AGENCY ACCOUNTANT

LONDON — UP TO £10,000

Our clients are a small Lloyd's underwriting agency group responsible for the management of three syndicates and are seeking an accountant experienced in Lloyd's agency and syndicate affairs.

The successful candidate will be responsible for the accounting function of the agency companies and syndicates. The applicant will also be expected to deal with communications with names and other agents and be conversant with Lloyd's regulations in this respect. Opportunities exist in the future for candidates showing initiative and ability to be sponsored for Lloyd's membership and for promotion to directorship.

All applications will be treated in strictest confidence and will not be disclosed to our client without the applicant's permission. Apply, giving brief personal and career details, quoting reference FT/SMO/012 to:

ANTHONY BLAKE
NEVILLE RUSSELL & CO.,
30 ARTILLERY LANE
BISHOPSGATE, LONDON E1 7LT

SENIOR F/X DEALERS

currently earning £10,000-£30,000

As the acknowledged authority on the recruitment of senior foreign exchange and treasury personnel, we are closely involved in the selection of suitably qualified dealers for the leading international banks in the City of London and Overseas.

Having entered a new decade, there exists already a number of significant opportunities at home and abroad, and it is anticipated that considerable movements will take place as this year wears on.

If you are contemplating a change at some future stage, or simply wish to keep abreast of market developments, we should be happy to hear from you.

As an initial move, please write to us enclosing a brief summary of your background and achievements, or simply:

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside · London EC2 [illegible]

Financial Controller

With Board Potential

Bournemouth Area

c. £15,000+ car and bonus

Following a period of acquisition and rapid growth, our client (T/O £3 million) has created this new post to play a vital role in consolidating and enhancing its position as one of the market leaders in its specialist printing field.

Reporting to the Managing Director, you will have a largely free hand to develop the finance function, introducing improved accounting and management reporting systems and bringing your keen business mind to bear on the further development of the group.

You will be a Qualified Accountant ideally aged around 35, with broad-based commercial experience and the ability to exert strong financial influence on management decisions. Some experience of acquisition appraisals and profitability studies would be most useful.

The group is confident of going places and needs someone who can grow with them. A Board appointment is envisaged in the medium term.

A generous remuneration package is offered, including relocation assistance if required.

Candidates should apply for a Personal History Form, quoting ref. AC321/FT to:

W. S. Gilliland, Thornton Baker Personnel Services Limited, Fairfax House, Fulwood Place, London WC1V 6DW. Telephone: 01-405 8422.

A member of the Management Consultants Association

Personnel and Industrial Relations Consultants

Treasury Assistant

Hoechst UK Limited, part of one of the world's largest chemical and pharmaceutical companies, has an interesting current vacancy for a Treasury Assistant.

Acting as assistant to the head of our finance department, this post carries involvement in financing and cash management matters to ensure that the company makes best use of available cash resources and banking facilities. Assisting with the evaluation of the financial implications of long term plans for the company and its subsidiaries is also a major part of the job.

Applicants must have sound general banking experience, possibly with banking or accountancy qualifications. Self-motivation and the ability to work as part of a small team are essential personal characteristics. Preferred age range is 25 to 30 years.

An excellent salary is offered, and our conditions of employment and benefits package are of the standard expected from a major international company.

Please apply to Mrs. M. C. Hannay, for an application form: Hoechst UK Limited, Hoechst House, Salisbury Road, Hounslow, Middlesex. Tel: 01-570 7712 Extn. 3055.

Hoechst

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

NEW APPOINTMENTS – MAJOR BANK EXPANDING LONDON BRANCH

Our client is a prominent, internationally expanding European bank – among the world's 100 largest banks. Current development plans at the bank's London branch necessitate the following two new appointments:—

SYNDICATIONS — to £13,000

The position of Assistant Manager, Loans and Credits calls for an experienced Loan Syndication Executive aged 25–35 with a previous background of credit training. The successful candidate must demonstrate a flair for business generation, skill in negotiating and arranging Eurocurrency credits, wide City contacts and sound and thorough country risk appraisal ability. Future career prospects, associated with the bank's continued expansion, are most attractive and include the opportunity to build a Loan Syndication team.

DEALER — to £12,000

To assist in the development of the bank's money market activity a further experienced dealer is required. Candidates, aged in their 20's, should possess several years' all-round Foreign Exchange/Deposit dealing experience including Arbitrage.

The remuneration package for each position incorporates all benefits associated with a first-class banking institution.

In the first instance please telephone, or send a detailed Curriculum Vitae to, KEN ANDERSON (Director)

First floor–entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

Account Assistant

International Banking

Bank of America is seeking an Account Assistant to provide marketing and administrative support for a newly established department specialising in servicing the banking needs of Financial Institutions.

Candidates should have several years experience of international banking operations, and of the money, foreign exchange and securities markets. In addition, the ideal applicant will have had substantial customer contact, preferably within the Insurance and Financial Institutions sector, and should demonstrate a high level of maturity and communicative skill, together with the ability to work with a minimum of supervision.

This is a most attractive and challenging role which affords excellent prospects for career development. A competitive salary will be accompanied by a full range of benefits in line with best international banking practice.

Applicants should send full career and salary details to: Janine Reid, Personnel Officer, Bank of America NT & SA, 25 Cannon Street, London EC4P 4HN.

BANK OF AMERICA

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

A key position with prospects to head up this activity world-wide within the medium term. Bonus gives opportunity to greatly increase basic earnings.

EUROPEAN MERGER AND ACQUISITION SPECIALIST

LONDON BASED **£25,000 + BONUS + CAR**

MERCHANT BANKING ORGANISATION OF A MAJOR MULTINATIONAL U.S. BANK

Applications are invited from candidates with at least four years of successful experience as a merger and acquisition specialist with a merchant or investment bank. This London-based position will have merger and acquisition responsibilities for Europe, including the sale of U.S. businesses to European buyers. Responsibilities will encompass the identification and investigation of companies potentially for sale and the structure and management of deals to closing. Candidates must have excellent communication skills, ability to negotiate effectively at the chairman level, and fluency in at least one additional European language. Initial basic remuneration negotiable to £25,000 plus very substantial bonus opportunity, car, subsidised house mortgage facility, contributory pension, free life assurance, free medical insurance assistance. Applications in strict confidence under reference MAS/3966/FT, to the Managing Director:—

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374

WANG EUROPE n.v. s.a.

We are a very fast growing organization in the computer and word processing business. We have a most impressive record of growth and new product development in a very competitive environment. Over 40 of our sales are international and predominantly within European markets. *Our Customer Engineering Group is expanding rapidly* commensurate with our growth and seeks an experienced *individual* to manage the financial and administrative aspects of this important segment of our business.

Financial controller customer engineering

The professional we seek will assist in the development and implementation of European wide management information systems, the control over asset levels, and will be responsible for the financial accounting functions performed at our European Customer Engineering headquarters. This individual should be willing to travel approximately 30% of the time.

Good communications skills and interpersonal sensitivities *are required*. Fluency in English is essential; other languages are considered as an asset.

We offer excellent salaries and benefits.

Please forward your résumé, including salary history to Mr. Joseph E. Norberg, Controller Europe,

Wang Europe s.a./n.v.
avenue Louise 250,
box 62,
B-1050 Brussels.

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financial controller

£14,000 pa+car, Slough

Our clients, Combined Optical Industries Limited, a UK subsidiary of REVLON INC. are involved in the manufacture and sale of optical products. They wish to appoint a qualified accountant as *Financial Controller*, responsible to the managing director for all aspects of the company's finances including taxation, with a special emphasis being placed on management accountancy. Relevant experience will include a thorough knowledge of budgeting in a standard costing environment.

The maintenance and development of effective accounting controls, the introduction of improved reporting procedures with the aid of a new in-house computer installation and the provision of a lively and efficient financial service to all levels of management will be key aspects of this important position which could lead to a Board appointment.

Terms of employment include a salary of £14,000 per annum and a car.

Applications in writing, giving full details of career development, should be sent to Frank Attwood, Robson Rhodes, 186 City Road, London, EC1V 2NU.

RR *Robson Rhodes*

Offices in London, the Midlands and West Yorkshire and — as Dunwoody Robson McGladrey and Pullen — in most of the world's major trading centres.

Investment Manager

The Gulf

Tax Free Salary

for a major Arab investment and banking company with substantial international investments.

Applicants, aged 30 to 45, must have at least 5 years' investment management experience switching and dealing in major international investment portfolios with an emphasis on Eurobonds and other fixed interest securities.

A 2 year renewable contract will include tax free salary of around £20,000 p.a., housing and car allowances, and annual leave home.

Please send brief career details—in confidence—to A. R. Duncan ref. B.1083-2.

MSL *middle east*
Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

Young Qualified Accountants

c. £8,500 p.a.

If you want to become more involved in the implications of the facts behind the figures, an opportunity fully to exploit your training and experience exists in our Audit Department. We have vacancies in the London, Croydon, Cambridge, Blackburn and Hamilton areas.

In addition to confirming the reliability and efficiency of systems and procedures, responsibilities will involve the assessment of all aspects of the organisation and proper interpretation of the output of these systems for operational, management and reporting purposes. Such systems are highly computerised.

Applicants should have lively and imaginative minds and good communication skills. There are interesting career prospects both within the auditing function and into line management positions, not necessarily restricted to the U.K.

Applicants should be qualified accountants and *preferably have some post qualification experience of* auditing and E.D.P. systems. Please send curriculum vitae stating preferred location to: Miss S. M. Mitchell, Deputy Personnel Manager, Philips Industries, Arundel Great Court, 8 Arundel Street, London WC2R 3DT.

PHILIPS

Loans Administration

As one of the major American international banks, our European Headquarters are based in London. Primary activities in the UK are in the commercial and merchant banking sectors.

Due to rapidly increasing business, we require an additional two staff to join our team in the loans administration area. The first will have had a minimum of two years' experience in loans operations, ideally including leasing, shipping and syndicated deals in an international bank. The second position is for a less experienced person, having basic loan file administration experience and a knowledge of international and domestic loan currency disbursements.

In addition to an attractive salary, fringe benefits include mortgage and personal loans at reduced rates of interest, non-contributory pension scheme and subsidised restaurant.

Please send detailed c.v. or telephone for an application form to: Ann Forde Turpin, Personnel Department, Continental Illinois Corporation, Continental Bank House, 162 Queen Victoria Street, London EC4. Tel: 01-236 7444.

CONTINENTAL BANK
Continental Illinois National Bank & Trust Co. of Chicago.

FINANCIAL CONTROLLER/ COMPANY SECRETARY

INSURANCE BROKERS

City of London £12-£14,000

Our client is a small, specialist insurance broking company with a successful record since its formation less than five years ago.

It now wishes to appoint a qualified accountant to head up *its accounts department and to advise the board on* the financial implications of its business expansion plans.

Applicants should have a sound knowledge of accounting and administrative requirements of a Lloyd's broker, *preferably gained from direct experience*. Initiative and the ability to communicate effectively with professional people are essential qualities. Chartered accountants aged 30 to 40 will be preferred.

The company operates a non-contributory pension scheme and provides life assurance and health cover. All staff participate in profits and established senior executives are provided with cars.

Please send brief personal and career details, *in confidence* and quoting ref. FT/40/M to Douglas G Mizon at the address below.

E&W Ernst & Whinney Management Consultants
11 Doughty Street, London, WC1N 2PL

Accountant

£14,000 to £15,000 + car and major benefits

A career opportunity has arisen for an additional Senior Accountant to join a major clearing bank in order to fulfil a key role within a team appraising and monitoring large capital project schemes throughout the UK. The capital expenditure programme is substantial and the work involved has an important bearing on the profitable growth of the bank.

The successful applicant, reporting to the Head of Project Appraisals, will be primarily responsible for the development and operation of capital project appraisals. Whilst experience in evaluating data processing applications would be advantageous, it is not necessary for candidates to have banking experience.

Candidates, male or female, aged 30-40 years must be able to liaise effectively with senior management of various disciplines and ideally should be experienced in capital project appraisal.

In addition to salary and car, benefits include pension, profit sharing, subsidised mortgage facilities, BUPA, and preferential loan schemes.

Interested candidates can make application by quoting reference MCS/7001 and requesting a personal history form from Michael Andrews, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

INTERNATIONAL TRADER

We are seeking an executive with international experience in import and export of commodities or products, to play a key role in developing our trading interests.

This appointment could interest traders who are working on their own account, but lack support services, or feel their full potential is not being fulfilled.

If you can make an immediate contribution and seek a challenging opportunity write with fully detailed curriculum vitae to:—

Gordon S. Planner, Managing Director

Constantine International Trading Company Limited
11 Grafton Street, London W1X 3LA

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Controller

Surrey, c. £11,000 + car

This is a new and difficult position for a qualified accountant, probably 28-35, with enough experience, personality and tenacity to get things done. Reporting to the Managing Director it involves the financial control of four *operating companies* forming a division of a public group. Cost, management and financial accounting could all be improved especially as to quality and timing: stock control and cash management also require particular attention. Last year profits dipped, but there are sound indications to suggest that better management and successful acquisitions will remedy this.

J.A.T. Bowers, Ref: 21188/FT. Male or female candidates should telephone in confidence for a Personal History Form to:
LONDON: 01-734 6852, *Sutherland House, 5/6 Argyll Street, W1E 6EZ.*

"...a reputation for quality service, innovation and a pragmatic approach to banking... one of the best and most consistent performance records in the industry over the past five years..." Quoted from Dun's Review December 1978 "The Five Best Managed Companies"

Corporate Banking Officers

Want more opportunity and responsibility in an international banking career?

Continental Illinois Corporation and its major subsidiary, Continental Illinois National Bank and Trust Company of Chicago, is the seventh largest bank in the United States with total assets in excess of $34 billion. It offers the full range of financial services around the globe through its network of offices in thirty-one countries.

Continental's growth in its European corporate banking activities has created exceptional career opportunities throughout Europe for young, experienced Corporate Banking Officers. Successful candidates will have considerable autonomy and responsibility for development of their own portfolio and for management of corporate banking relationships. Initial assignments are available throughout our European network. Successful performance will lead to career opportunities on a global scale.

Experience in the range of three to five years in both credit risk assessment and marketing the full services of an international commercial financial institution is required. Particular emphasis is placed on an individual's capacity to make mature business judgements and ability to express them articulately. Effectiveness in multiple European cultures is a significant plus.

Rewards are commensurate with the importance Continental places on these highly visible positions.

Applicants should submit a résumé, geographic preferences and financial requirements or telephone for an application form to: Charles E. Becker, Vice President, Corporate Personnel Services, Continental Bank House, 162 Queen Victoria Street, London EC4V 4BS, England. Tel: 01-236 7444.

CONTINENTAL ILLINOIS CORPORATION

Continental Illinois National Bank and Trust Company of Chicago

Amsterdam...Antwerp...Athens...Brussels...Dusseldorf...Frankfurt...Liege...London...Madrid...Milan...Munich...Paris...Piraeus...Rotterdam...Vienna...Zurich

Senior Trust Officer
Bahamas

Bank of America, the world's largest international bank, is seeking an experienced Trust Officer for its Bahamian subsidiary, based in Nassau. In addition to supervising all aspects of the Trust Department's activities, the successful candidate will be responsible for developing business with corporate and personal clients, both locally and overseas.

Candidates should hold the AIB Trustee Diploma, or equivalent qualification, and must have substantial experience of international trust management. An ability to train and motivate staff is essential and the involvement in marketing calls for a mature and personable individual who can deal effectively with clients at senior level. Some knowledge of Spanish would be an advantage.

Prospects for further career development are excellent within the Bank's expanding international trust operations. A highly attractive overseas remuneration package will reflect the significance of this position.

Applicants should send full career and salary details to:- A. J. Tucker, Recruitment Officer, Bank of America NT & SA, 25, Cannon Street, London, EC4P 4HN.

BANK OF AMERICA

IDEAL STANDARD LTD
HULL, NORTH HUMBERSIDE

Our company which has a turnover exceeding 20 million pounds and operates two plants in the U.K. wishes to appoint a

financial director and joint managing director

Maturity, experience of controllership in an American owned subsidiary and knowledge of the business needs of a manufacturing and marketing company in the consumer durables field are among the necessary qualifications.

The financial director reports to the group vice-president control and finance who is based in Europe and the position entails responsibility for all financial and cost accounting, tax and cash management, management information systems, forecasting, planning, legal and secretarial matters.

Attractive compensation and fringe benefits will be commensurate with the seniority and importance of the position.

Please send full career details to: Fred Brehain, vice-president industrial relations and personnel, Ideal Standard Europe, boulevard du Souverain 348, 1160 Brussels, Belgium.

Financial Controller

S.E. Kent c.£14,000+car

Situated in an idyllic part of the Kent coast, our client is a well established subsidiary of a U.S. consumer products group.

Responsibility is to the Managing Director for all aspects of accounting and financial control. There is a staff of over 20 and sophisticated computerised systems are utilised.

Candidates 30-45 should be CMA's, CA's or CCA's preferably with experience in consumer products.

The salary is negotiable and fringe benefits are generous including relocation costs. For an application form telephone 01-248 6113, or write, quoting reference no. 1732/3/L. to Neville Mills, Peat, Marwick, Mitchell & Co., Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.

Finance Manager
around $A 32,000 per annum
Ford Australia

Ford is the second largest automotive manufacturer in Australia with facilities covering foundry, stamping, engine manufacture, chassis component manufacture, plastics and four assembly plants. Total employment is approximately 14,000 and vehicle sales are in the order of 130,000 units.

We are seeking to appoint a Senior Finance Manager to take charge of all finance activities for the Company's manufacturing operations. This will involve the direction of a large staff engaged in budgetary preparation, analysis and control, investment analysis, inventory analysis, project commitment and control, and all accounting functions. The Company has a reputation for its advanced financial management practices and strong control systems.

Applicants must have formal finance qualifications and direct experience in financial management within the manufacturing operations of an automotive company. This experience must have been at a senior level. Preferred age 30-40 years.

Car and other benefits will accord with the senior level of this position. Promotional prospects, both within Ford Australia and the wider Asia-Pacific region, are excellent.

The Company will pay the cost of travel to Australia for the successful applicant and family and provide substantial relocation assistance, including initial accommodation in Australia.

Interviews will be conducted in the UK during the week commencing February 11, 1980.

Please write immediately with full details to:

R. J. Henderson,
C/O ASL Recruitment Advertising,
17, Stratton Street,
London W1X 6DB.

Marketing Director
Capital Goods

Midlands **c.£17,500**

A multi-national group has created a marketing/business planning function for a major capital goods manufacturing division. The brief is to formulate objectives, policies and plans of action to optimise business performance, expand existing markets and explore new ones. Besides the salary, a car and excellent benefits are offered.

The candidate will most likely have an engineering qualification and experience with a strong marketing bias. Particular skills are required in pricing strategy, product development and communication. The ability to stimulate and guide the management teams of the constituent companies is crucial.

Please write in confidence, demonstrating briefly how you meet these criteria by first class mail to Robin Gregory at John Courtis and Partners Ltd., 78 Wigmore Street, London, W1H 9DQ quoting reference 807/FT.

John Courtis and Partners

c£13,000 p.a.
Assistant Vice President
LONDON
Banking

City branch of an international bank is seeking a well qualified man or woman age 28-32 to join small management team and undertake business promotion in the UK and Europe. Previous credit experience is essential. European languages an advantage. Willingness to travel and the flexibility to undertake other duties as required are other fundamental requirements. Excellent career prospects. Benefits include non contributory pension/life cover, BUPA and other benefits associated with an international bank.

Suitably qualified candidates please phone 01-631 1444 for application form quoting MRD 0003 (24 hour answering service).

MRD

Management Recruitment Division
BOYDEN INTERNATIONAL LTD.
87 TOTTENHAM COURT ROAD, LONDON W1P 9HD.
LONDON, PARIS, BRUSSELS, GENEVA, ROME, MILAN, MADRID, BARCELONA, TOKYO, HONG KONG, CARACAS, MEXICO CITY, SAO PAULO, AUCKLAND, MELBOURNE, SYDNEY, JOHANNESBURG AND THROUGHOUT THE USA.

PROJECT ANALYSTS
ABU DHABI

A financial institution in Abu Dhabi requires experienced project analysts for one of its departments.

Candidates should be Arab Nationals, and must be appropriately qualified, and have had a responsibility for investment appraisal and financing.

Applicants should have first class academic qualifications preferably at post-graduate level particularly in the fields of production management, business economics and operations research. They will ideally have extensive professional experience in project appraisal and the associated analytical techniques as well as the assessment of specific acquisitions and the new business opportunities.

Candidates must be prepared to live in Abu Dhabi. The contract will be for a minimum of two years, renewable thereafter. Salary is negotiable and free of tax in Abu Dhabi. Free accommodation, transport allowance and medical facilities will be provided.

Please write or telephone for an application form, quoting ref. 1028/FT to W. L. Tait

Touche Ross & Co. Management Consultants

4 London Wall Buildings,
London EC2M 5UJ.
Tel: 01-588 6644.

SEMINAR DIVISION DIRECTOR

for the London-based UK subsidiary of a US publishing company that is an established leader in presenting professional seminars.

Reporting to the MD, the successful candidate will be completely responsible for running the expanding Seminar Division of the company. The salary, which is negotiable, will fully reflect the importance of the role. Ideally aged around 35/45, candidates should be of graduate status with a professional background and good administrative experience. Ability to speak in public and a wide interest in legal and business matters are essential.

Write in confidence, initially with brief details of qualifications and career, to Box A7033, Financial Times, 10 Cannon Street, EC4P 4BY.

Company Secretary and Accountant

for the raw materials trading subsidiary of a major International group. Turnover is £25 million and there are 30 employees at the Head Office near the City.

The post has overall responsibility for the accounting and administration of the business and includes the running of a small department.

Ideally, experience should have been gained in a similar trading environment covering the whole range of accounting, secretarial and administrative functions and specifically letters of credit, bank guarantees and international documentation. The scope for developing wider responsibilities is good.

Candidates, male or female, must be Chartered Secretaries or Qualified Accountants, probably aged in their thirties.

Salary will be £10,000 p.a. plus car and other fringe benefits.

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"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 28TH FEBRUARY, 1980

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 28th February, 1980, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £19.50 per single column centimetre. Special positions are available by arrangement at a premium rate of £21.50 per s.c.c. Copy date is Friday, 22nd February. For further details, including reprints of previous features, please telephone 01-248 4601 or 4864 (direct lines).

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COMPANY NOTICES

CITY OF OSLO

$8\frac{3}{4}$% 1974/1992 UA 12,000,000 LOAN

We inform the Bondholders that the annual redemption of UA 600,000 due on April 1, 1980, has been effected by purchase on the market.

Amount outstanding: UA 9,400,000

Luxembourg.
January 31, 1980.

THE FISCAL AGENT
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Luxembourgeoise

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Section B No. 8202

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

The Extraordinary General Meeting of Shareholders of TRAGALGAR FUND, S.A. will be held at its registered office at Luxembourg, 14, rue Aldringen, on February 15th, 1980, at 15.00 hours for the purpose of considering and voting upon the following matter:

To consider the amendment of the second paragraph of Article 23 of the Articles of Association to read as follows:

"The Net Asset Value of shares in the Corporation shall be determined by the Corporation on the last business day of each month (every such day or time for determination of Net Asset Value being referred to herein as a 'Valuation Date'), provided that in any case where any Valuation Date would fall on a day observed as a legal holiday by stock exchanges in New York such Valuation Date shall then be the next business day following such holiday."

Resolution on the point of the agenda of the Extraordinary General Meeting require the presence in person or by proxy of at least 50% of the issued and outstanding capital and must be adopted by a majority of ⅔ of the shares.

In order to take part at the meeting of February 15th, 1980, the owners of bearer shares will have to deposit their shares five business days before the meeting at the registered office of the Fund, 14, rue Aldringen, Luxembourg, or with one of the following banks:

—Banque Générale du Luxembourg, S.A., LUXEMBOURG

—J. Henry Schroder Wagg & Co. Limited, 48, St. Martin's Lane, LONDON WC2N 4EJ.

The Board of Directors.

LEGAL NOTICES

SUMMONS
Case Number 79-C-1002
United States District Court
For The Eastern District of Wisconsin

First Chicago International Banking Corporation, Plaintiff, vs. Bank Omran, Bank Melli and the Islamic Republic of Iran, Defendants.

To the above-named defendants:

You are hereby summoned and required to serve upon Whyte & Hirschboeck S.C., plaintiff's attorneys, whose address is 2100 Marine Plaza, Milwaukee, Wisconsin 53202, an answer to the complaint which is herewith served upon you, within 40 days after the 31st day of January, 1980, exclusive of such date. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

Signed: RUTH W. LA FAVE,
Clerk of Courts.

First Chicago International Banking Corporation,
Plaintiff.
By Robert J. Berdan and
Whyte & Hirschboeck, S.C.,
2100 Marine Plaza.
Milwaukee, WI 53202.

BOND DRAWINGS

IRELAND

U.S.$ Bonds 9% 1985

S. G. WARBURG & CO. LTD., announce that the redemption instalment of U.S.$900,000 due 1st March, 1980, has been met by purchases in the market to the nominal value of U.S.$447,000 and by a drawing of Bonds to the nominal value of U.S.$453,000.

The distinctive numbers of the Bonds, drawn in the presence of a Notary Public, are as follows:—

15	44	65	103	126	167	191	215	234	257
281	305	345	372	395	419	444	470	493	515
551	588	612	643	665	686	709	734	764	792
815	853	882	921	966	991	1013	1038	1070	1090
1136	1191	1228	1248	1272	1293	1366	1386	1418	1444
1467	1498	1518	1552	1596	1627	1648	1673	1713	1739
1761	1786	1818	1853	1884	1916	1942	1967	1989	2022
2044	2066	2089	2114	2137	2187	2211	2243	2274	2312
2332	2355	2377	2399	2422	2446	2466	2487	2510	2558
2579	2602	2623	2646	2667	2688	2711	2732	2759	2781
2804	2828	2859	3024	3048	3087	3157	3180	3213	3241
3310	3369	3401	3439	3468	3494	3517	3590	3613	3787
3810	3830	3856	3891	3915	3934	3956	3985	4010	4030
4058	4079	4102	4124	4144	4174	4197	4219	4245	4264
4295	4336	4356	4392	4413	4440	4461	4483	4507	4526
4549	4620	4644	4666	4687	4709	4729	4754	4775	4793
4817	4846	4867	4888	4911	4933	5006	5027	5072	5104
5132	5159	5181	5203	5232	5262	5290	5321	5342	5363
5388	5410	5433	5474	5495	5519	5540	5560	5580	5605
5626	5648	5670	5694	5714	5734	5764	5789	5810	5841
5868	5903	5929	5950	5976	5997	6025	6088	6127	6152
6175	6200	6220	6251	6274	6296	6320	6372	6409	6513
6547	6569	6760	6797	6854	6886	6933	6955	6980	7001
7073	7091	7158	7181	7219	7278	7299	7321	7390	7413
7441	7531	7568	7655	7742	7767	7793	7841	7911	7955
7979	8054	8078	8098	8121	8143	8175	8201	8271	8306
8329	8351	8374	8396	8416	8459	8479	8500	8532	8563
8576	8605	8627	8650	8671	8696	8716	8807	8875	8925
8951	8976	8996	9019	9122	9143	9208	9231	9252	9274
9296	9318	9344	9366	9389	9411	9433	9454	9512	9535
9556	9621	9702	9763	9785	9807	9828	9858	9897	9918
9938	10243	10289	10310	10340	10361	10384	10495	10516	10536
10830	10850	10872	10894	10919	10948	10977	10998	11020	11042
11064	11084	11107	11129	11152	11171	11193	11216	11237	11257
11281	11302	11324	11347	11370	11426	11446	11479	11521	11544
11565	11586	11608	11653	11673	11693	11715	11738	11761	11786
11808	11831	11859	11879	11911	11935	11956	11976	11999	12021
12044	12075	12096	12121	12140	12202	12251	12287	12312	12335
12355	12377	12442	12464	12560	12594	12635	12656	12678	12701
12750	12789	12809	12869	12890	12909	12933	12977	12999	13082
13158	13583	13625	13656	13718	13738	13791	13814	13835	13858
13889	13910	13943	13964	13986	14006	14030	14049	14072	14094
14130	14151	14173	14197	14217	14237	14262	14282	14303	14395
14442	14465	14486	14506	14530	14577	14611	14633	14657	14680
14709	14730	14757	14778	14799	14824	14850	14870	14891	14914
14936	14967	14989							

On 1st March, 1980, there will become due and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:—

S. G. WARBURG & CO. LTD.,
30, Gresham Street, London, EC2P 2EB.,

or with one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called for redemption on and after 1st March, 1980, and Bonds so presented for payment must have attached all coupons maturing after that date.

U.S.$6,000,000 nominal amount of Bonds will remain outstanding after 1st March, 1980.

The following Bonds previously drawn for redemption on the dates shown below have not as yet been presented for payment,

1st March, 1974

14223

1st March, 1977

24 153 644 791 1216 1609 2245 6762 6983 8480 8952 11683

1st March, 1978

593	741	1590	1660	1849	2242	3220	3573	4085	4181
4230	4253	4799	4830	5417	5805	6257	6517	6791	6851
6987	8099	9036	12293	13717	13727	14215	14777		

1st March, 1979

31	190	1494	3041	3307	3435	3826	3885	3948	3999
4050	4072	4859	4903	5338	5406	5470	5845	6080	6518
6763	6802	6857	6890	7003	7253	7357	8475	8667	9307
9903	9924	11079	11842	12081	12297	13147	13873	14120	14294
14610	14958								

30, Gresham Street, London, EC2P 2EB. — 31st January, 1980

LOMBARD

A wet response from Europe

BY JOHN WYLES IN BRUSSELS

THE WORD clearly emanating from Downing Street and other places of influence in London, is that the European reaction to the Soviet invasion of Afghanistan is decidedly wet. Further, it is said here that the polite welcome with which the U.S. has greeted the condemnatory declarations issued by the EEC and NATO masks an angry disappointment that these have not spawned one single specifically European act of reprisal against the Russians.

Equivocal

In this context, the EEC's resolve not to sell wheat to the USSR does not fit the bill since the EEC has not sold any for the past six years and would not be outrageous *enough to* start shipping the stuff now that the Americans have refused to do so.

Of course, the EEC may yet adopt a tougher approach although the equivocations from Paris and Bonn, identified as paramount among the weaker brethren, are not likely to inspire much hope in the hearts of either President Jimmy Carter, or Mrs. Margaret Thatcher.

But there should not be too much surprise *that much of* Continental Europe *finds* it difficult to keep pace with Mrs. Thatcher on Afghanistan. To do so, *would, after all,* mean abandoning in just a few short weeks assumptions about detente and Soviet foreign policy which President Carter himself appeared to share until one apparently shattering telephone exchange with Mr. Leonid Brezhnev.

Mrs. Thatcher has never really been part of this consensus *that detente involved a* certain indulgence towards the Soviet military build-up and a certain tolerance of its actions in Angola, Ethiopia and points further East as far as Kampuchea. Her hawkish reaction to events in Afghanistan, therefore, has involved far less of a volte-face than would a comparable change of plumage by President Giscard d'Estaing or even Chancellor Helmut Schmidt.

There is plenty of evidence to suggest that continental Europe is just as concerned as Mr. Carter and Mrs. Thatcher but for various reasons reluctant to draw comparably hasty conclusions as to whether Afghanistan marks a "sea change" or not.

It is all very well for the Americans to complain that "the Europeans are unhappy when we don't show leadership and just as unhappy when we do," but the rush into a trade embargo followed by the current attempt to snatch the Olympics out of Moscow is not unrelated to President Carter's domestic political needs.

Afghanistan offered a heaven sent opportunity for an exercise in leadership at a time when leadership was being cast as the main issue of his presidency by the optimists who want to elbow him out of the White House and when a muscular approach over the hostages in Tehran was evidently too dangerous.

Was it not prudent, rather than pusillanimous, to avoid following Mr. Carter immediately around his U-turn in relations with the Soviets, with all of its obvious dangers, before Western Europe is fully convinced of the need to do so?

Ample time

However, there has now been *ample time for Paris, Bonn and others to have reflected on the* situation and to decide whether there is a need to go beyond verbal condemnation of the Soviet invasion and to start making it clear what the Europeans think the invasion means for Russian foreign policy, and therefore for detente.

Is it the European view that Russia was merely acting sensibly to protect its interests in a country which for several years has been a *satellite,* although not one officially acknowledged as such? If this is the opinion then there is a responsibility to argue it through with Washington and indeed to restrain any impulses there to throw still tougher diplomatic punches.

But if Paris and Bonn really believe that Russia is now more ready than before to mount military adventures to extend its interests in strategically sensitive areas of the world then a coherent response, which does not necessarily have to imitate every American initiative, must be given.

A Ford car accused of homicide

"WHEN SORROWS come, they come not single spies, but in battalions." Such must be the thoughts of the directors of the Ford Motor Company in Detroit, as they add up the costs of the law suits in which the company has been involved and of the many recalls of its cars. The company is now on trial under Indiana state law on criminal charges of reckless homicide, and although a guilty verdict would mean fines only, amounting to $30,000, the issue is far too important to end at the trial stage. There will be appeals whichever side wins.

Tragic case

The background to these proceedings, as so often in product liability cases, is tragedy, the tragedy of three girls burned to death when their Pinto car was struck from behind. The impact ruptured the petrol tank, and the fuel exploded into flames. Public opinion was aroused because evidence at the civil trial of a claim for *damages alleging* that the company knew there was a possibility of fire in rear-end collisions, and had decided to run the risk. A grand jury was summoned and indicted the company for reckless homicide, a criminal charge. The proper venue for the trial was Elkhart County, where the accident occurred, but local opinion was so strong that the company successfully asked for a change of venue. The trial is taking place in an isolated farming community, and the resources of the town have been strained to breaking point by the influx of legal talent and reporters. The prosecutor is a lawyer working part-time for the county, and an indication of public interest is the help given to this part-time prosecutor by a volunteer group of lawyers and assistants. Ford, which can afford the best, has an impressive array of prominent lawyers, but apart from the change in venue these lawyers *have so far not been* too successful. They tried unsuccessfully to have the indictment quashed, arguing that the Indiana statute establishing the crime of reckless homicide had been passed since the accident, and could not be applied retrospectively. A State Superior Court said that there was a continuing obligation on a manufacturer to correct defects in his products.

The Ford Motor Company is willing to spend at least $1m on its defence, even though the penalties can only be insignificant, and it has good reasons: a successful prosecution will do much to encourage many other actions against the company and all manufacturers of defective products. Moreover, a finding that Ford has been guilty of reckless behaviour will open the way to awards of punitive damages in civil cases. Already one jury has awarded $128m in punitive damages against Ford in one Pinto case, and although the amount was reduced by the judge to $6m the case is still under appeal. The basis of the claims against the company is the allegation that it knew the design of the Pinto was faulty, that fires could happen, and yet it decided to produce the car.

BUSINESS AND THE COURTS

BY PROFESSOR DERRICK OWLES

The fuel tank problem is not limited to Ford and other manufacturers have been defendants in a series of claims. The Ford defence is not helped by the report of a British employee of UK Ford in 1966 saying that research did "indicate that the floor-mounted tank is hazardous and should be carefully reviewed and tested in each new model."

Half of all car accidents are estimated to be rear-end collisions, and although precise figures are not available, it seems that fires occur in from 1 to 4 per cent of these collisions. Other estimates are that in the U.S. alone from 1,200 to 3,000 people die in automobile fires each year, and the National Highway Traffic Administration has said that 35 deaths had resulted from fires caused by the position of the fuel tank.

The special aspect of the Ford case is the allegation that, knowing of the dangers, the company decided to go ahead after comparing the costs of a new design against the likely costs of deaths and injuries.

The idea of a corporation on a criminal charge is comparatively new. Two hundred years ago, Blackstone (then the leading authority for American lawyers) wrote in *his* Commentaries that a corporation "can neither beat nor be beaten in its body politic. A corporation cannot commit treason, or felony, or other crime in its corporate capacity." Both in England and in America the courts have abandoned this narrow view of the corporation.

It is still true, of course, that a corporation cannot be beaten, and it cannot be guilty of a crime for which the punishment is death or imprisonment. It can, however, be guilty of a crime for which the punishment is a fine, and the problem is to decide how the corporation can form the intent which is a necessary element of a crime. *The modern view is that the intent of an employee can be imputed to the corporation,* and the enquiry is into the status and purpose of the employee. Difficulties arise when the employee is acting outside the scope of his authority, and one test then is whether there was an intention to benefit the company.

The indictment of a company for manslaughter is not as novel as it appears. In 1900 the Great West Laundry Co. (13 Manitoba 66), was held not guilty of manslaughter for failure to guard its machinery but the judge said: "It is illogical not to extend its liability to manslaughter resulting from negligence but I cannot extend the law." However, in the same year the Canadian Supreme Court fined a colliery company $5,000 for causing the death of passengers on its train that fell through a bridge into a river (Union Colliery v. Queen 31 Can. Sup. Ct. 81).

It has been predicted that U.S. law will grow in accord with the result reached by the Canadian Supreme Court. This expectation seemed to be reinforced by the indictment of Scott Nearing and American Socialist Society (a New York Corporation) under the Espionage Act of 1917 on charges of conspiracy to publish a pamphlet called The Great Madness to cause insubordination, disloyalty and mutiny while the U.S. was at war with Germany. The defence argued that a corporation could not be guilty of a crime such as conspiracy. Judge Learned Hand said the law always tended to larger and larger liability, and this was established in tort and fraud. The issue was to be determined by the "kinship of the act to the powers of the official who commits it." The "Nearing" decision was quoted in "Commonwealth of Massachusetts v. Beneficial Finance" (275 NE 2d 33, 1971) in which the corporation was found guilty of bribery.

Social costs

Shareholders may dismiss directors who have involved the company in criminal proceedings and to that extent there is an element of deterrence, but experience shows *that boards are rarely put out* of office. What is needed is a means of making business managers relate their activities to the social costs of earning profits.

Professor Owles is a visiting fellow in American business law at the City University Business School.

Stoic Yarn a smart performer

RACING

BY DOMINIC WIGAN

BETTING ON inexperienced chasers usually proves a costly business, as Venture To Cognac's supporters found at Lingfield (and as was again nearly proved in the case of 5-2 on Bedsworth Boy on Monday). It is unlikely that today's opening division of Wincanton's three miles one furlong Novices Chase will see many major transactions.

Nevertheless, on this occasion I believe it could pay backers to ignore the usually sound advice of "leaving novice chases well alone," for Stoic Yarn looks like proving an exception to the rule.

A good-looking gelding by that outstanding sire of chasers, Spartan General, Stoic Yarn has already proved himself a smart performer over the minor obstacles with creditable runs at Devon and Exeter, Cheltenham and Leicester.

With his talents switched to the large obstacles and the tests of stamina likely to bring out the best in him, Stoic Yarn will, I feel sure, soon be considered among the leading recruits to the ranks of high-class young chasers.

He is given a confident vote in a race in which Marchant could give each-way backers a good run for their money at attractive odds.

A good deal of interest has been lost from the Wincanton Challenge Cup Chase owing to the absence of Artifice, for whom Sandy May had been booked. Just three—Bitter Ender, Narribinni and The Snipe—have stood their ground.

The two miles five furlongs of the Cup is probably on the sharp side for The Snipe, who would, in any case, have been better served by more opponents, and I intend siding with the New Zealand-bred Narribinni.

Third behind Kybo in Kempton's William Hill Christmas Hurdle just over 13 months ago, when producing his best performance of the 1978-79 campaign, Narribinni has been a model of consistency this term.

WINCANTON

1.15—Easy Pickens
1.45—Narribinni**
2.15—Vague Story
2.45—Stoic Yarn***
3.15—Mr. Juicy

TOWCESTER

1.30—Young Horatio
2.00—Izzyfast
2.30—Normandy Sign
3.00—Elite Lady
3.30—Brown Jock
4.00—Royal Admiral*

TV Radio

† Indicates programme in black and white

BBC 1

9.00 am For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 The Robonic Stooges. 4.25 Jackanory. 4.40 Screen Test. 5.00 John Craven's Newsround. 5.10 Blue Peter. 5.35 The Perishers.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
7.00 Tomorrow's World.
7.25 Top of the Pops.
8.05 Wildlife on One.
8.30 Watch This Space.
9.00 News.
9.25 Play for Today.
10.55 Platform One.
11.25 News Headlines.
11.27 The Ventriloquists.
12.07 am Weather, Regional News.

All Regions as BBC-1 except as follows:—

Wales—2.15-2.35 pm I Ysgolion. 5.55-6.20 Wales Today. 7.00-7.25 Heddiw. 12.07 am News and Weather for Wales.

Scotland—10.10-10.30 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Report-Scotland. 10.55 Current Account. 11.25 Johnny Be Good (Chuck Berry, father of Rock and Roll). 12.20 am News and Weather for Scotland.

Northern Ireland—11.30-11.50 am for Schools. 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene around Six. 7.00-7.25 Sportsweek. 12.07 News Headlines. 12.09 Tomorrow's World. 12.34 am News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 am Play School.
5.05 Open University.
†5.35 Laurel and Hardy in "Fixer Uppers."
†5.55 Will Hay in "The Ghost Of St. Michael's."
7.15 Mid-Evening News.
7.25 Newsweek.
8.00 It's Patently Obvious.
8.30 Public School.
9.00 M*A*S*H.
9.25 Man Alive.
10.15 Richard Stilgoe takes an optimistic look at the week.
10.45 Newsnight.
11.30 And Then We Sever.
12.00 Closedown reading.

LONDON

9.30 am Schools Programmes. 12.00 Topper's Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 The Spoils of War. 3.45 Looks Familiar. 4.15 Salvage 1. 5.15 Six of the Best: Daily Mirror Champions Cup Gymnastics.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Wish You Were Here ...?
7.30 Bernie.
8.00 Armchair Thriller.
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News.
10.30 Inside Business.
11.00 Lou Grant.
11.55 What the Papers Say Awards.
12.25 am Close: Personal choice with Diana and Yehudi Menuhin.

All IBA Regions as London, except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.45 Houseparty. 3.15 Superstar Profile. 4.15 Daily Mirror Gymnastics Cup. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 10.30 The Dig on Our Doorstep. 11.00 Power Without Glory. 12.00 The Living Word.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 4.15 Six of the Best. 4.45 The Life and Times of Grizzly Adams. 6.00 ATV Today. 7.00 Emmerdale Farm. 10.30 Former V. 11.10 ATV Newsdesk. 11.15 Lou Grant.

BORDER

1.20 pm Border News. 2.45 Houseparty. 3.15 Out of Town. 4.15 Thursday Matinee: "Dead Man On The Run." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.30 Fireside Theatre. 11.30 Soap. 12.00 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where, and Weather. 4.15 Six of the Best: Daily Mirror Champions Cup. 4.48 Rocket Robin Hood. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Walking Westward. 10.28 Channel Late News. 10.35 Logan's Run. †11.25 The Thursday Film: "A Hill In Korea." 12.40 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News Headlines. 4.15 Daily Mirror Gymnastics Cup. 4.45 Wild, Wild World of Animals. 5.10 The Electric Theatre Show. 5.40 Police News. 6.00 North Tonight. 7.00 Welcome to the Ceilidh. 10.30 Reflections. 10.30 Soap. 11.00 Luke's Kingdom. 12.00 Priory the Only Home I've Got. 12.35 am North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 4.15 Sam. *4.45 Six of the Best.* 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 The Incredible Hulk. 10.30 Celebration. 11.00 What the Papers Say Awards. 11.25 Bluey.

HTV

1.20 pm Report West Headlines. 4.15 Six of the Best. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 10.35 The Bothy Band at the Embankment. 11.05 Kaz. 12.05 am George Hamilton IV.

HTV Cymru/Wales—As HTV West/HTV General Service except: 9.57-10.07 am Am Gymru. 10.48-11.03 Mwy Neu Lai. 1.20 pm Penawdau Newyddion Y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoon Time. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena.

SCOTTISH

1.20 pm News and Road and Weather. 4.15 The Secret Lives of Waldo Kitty. 4.45 Six of the Best—featuring the Daily Mirror Champions Cup Gymnastics. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 World Worth Keeping. 10.30 No Easy Answer. 11.00 Inside Business. 11.30 Late Call. 11.35 Mannix.

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 Selwyn. 4.15 Six of the Best: Daily Mirror Champions Cup Gymnastics. 4.45 The Beachcombers. 5.10 Cartoon Time. 5.20 Crossroads. 6.00 Day By Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Southern News Extra. 10.35 Your Westminster. 11.05 Twist in the Tale. *12.00 What the Papers Say Awards.*

TYNE TEES

9.20 am The Good Word, followed by North-East News Headlines. 1.20 pm North-East News and Lookaround. 4.15 Six of the Best: Daily Mirror Champions Cup Gymnastics. 4.45 The Life and Times of Grizzly Adams. 6.00 North-East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 Northern Scene. 11.05 Invitation Snooker. 11.30 Superstar Profile. 12.00 am Soap. 12.30 Epilogue.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News Headlines. 4.15 Gymnastics: Champions *Cup. 4.45 Spiderman.* 5.15 *Cartoon* Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Counterpoint. 11.15 Family. 12.10 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 4.15 Gymnastics: Champions Cup. 4.45 Gus Honeybun's Birthdays. 4.48 Rocket Robin Hood. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Walking Westward. 10.32 Westward Late News. 10.36 Westward Report. 11.05 Politics West. †11.25 The Thursday Film: "A Hill In Korea," starring George Baker and Harry Andrews. 12.40 am Faith For Life. 12.55 West Country Weather *and Shipping Forecast.*

YORKSHIRE

1.20 pm Calendar News. 4.15 Six of the Best: Daily Mirror Champions Cup Gymnastics. 4.45 Salvage—1. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 10.30 With a Little Help. 11.00 Luke's Kingdom. 12.00 The Mary Tyler Moore Show.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S) including 6.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S) (continued). 6.03 John Dunn (S). *8.02 Country Club (S).* 9.02 Alan Dell with The Big Band Sound (S). 9.55 Sports Desk. 10.02 The Peter Goodright Show. 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 News, and 1.02, 2.02 am Cricket: Australia v England (reports). 2.03-5.00 You and the Night and the Music (S), including 3.02, 4.02 Cricket.

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Beethoven (S). 10.00 Geoffrey Bush song recital (S). 10.45 Michala Trio concert (S). 11.30 Xenakis, Liszt and Dvorak concert, part 1 (S). 12.00 In Short. 12.10 pm concert, part 2 (S). 1.00 News. 1.05 Manchester Midday Concert (S). 2.00 Bach, Holst and Vaughan Williams *Concert, part 2 (S). 1.00 News.* 1.05 Reading. 3.45 Fitzwilliam String Quartet (S). 4.55 News. 5.00 Mainly For Pleasure (S) with Bernard Keeffe (and mono only from 6.10). 7.15 Talking About Music (S). 7.45 Swimming and Flying (S). 8.35 Bach Violin Sonatas (S). 9.15 In Repertory: Massenet's "Werther" (S). 10.15 Building a Library of records (S). 11.00 Music In Our Time (S). 11.55 News. 12.00-2.05 am Test Match Special: Australia v England.

VHF only—6.10-7.15 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day; 7.00, 8.00 Today's News; 7.30, 8.30 News Headlines; 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 Parent Power. 10.30 Daily Service. 10.45 The Wooden Horse. 11.00 News. 11.05 Analysis. 11.50 Sean's Story. 12.00 News. 12.02 pm You and Yours. 12.27 Detective. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen With Mother. 3.15 Afternoon Theatre (S). 4.15 Any Answers? 4.45 Short Story. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Kaleidoscope. *8.00 Tchaikovsky* concert, part 1 (S). 8.40 A Double Life: The life of Bernard Shaw (discussion). 9.00 Tchaikovsky, part 2 (S). 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

London Broadcasting

6.00 am AM with Bob Holness and Des Fahy. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 8.00 pm Therese Birch—After Eight. 9.00 Geoff Sims—Nightline. 12.00 LBC Reports Midnight. 1.00 am Carol Allen—Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 John Sachs (S). 12.00 Mike Allen (S). 3.00 pm Roger Scott (S). 7.00 Lord George-Brown's Capital Commentary (S). 7.10 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne's Your Mother Wouldn't Like It (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,188

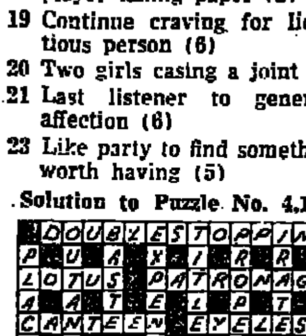
ACROSS

1 Reaction to second scourge (8)
5 Born to inflame plant disease (6)
10 No Scots has to curtsy to rich man (5)
11 Lessening key blow to Heath (9)
12 Must I change behind spur (9)
13 Upright before getting caught first and last (5)
14 Scare a student with a strong drink (6)
15 Fool the French drip (7)
18 Dismissed fathead depressed by what was gushing forth (7)
20 Dust women have to face (6)
22 Inclined to join skinny Turkish leader (5)
24 Teachers' organisation getting religious instructon changed into food (9)
25 Actors have no right to fuel medicine (6, 3)
26 Fagin gleefully hides fireplace (5)
27 Drug fiery, remains of chemical (6)
28 Wit doomed person needs to be heavy goods driver (8)

DOWN

1 Dismiss strike about Northern Ireland (6)
2 Third-rate sailor going to South American city allowed a carriage (9)
3 Work with family at personnel management (6, 9)
4 Team member given weapon (7)
6 Women hanging about royal attendants (6, 2, 7)
7 Seize oriental complaint (5)
8 To catch female in company (8)
9 Send another way to entertain (6)
16 Confine strong drink when remaining housebound (7, 2)
17 Kids join international player taking paper (8)
19 Continue craving for licentious person (6)
20 Two girls casing a joint (7)
21 Last listener to generate affection (6)
23 Like party to find something worth having (5)

Solution to Puzzle No. 4,187



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 240 5258. Reservations 836 3161. ENGLISH NATIONAL OPERA. Tonight & Tues 7.30: The Merry Widow. Tomor & Wed 7.00: Don Giovanni. Sat 7.00: The Force of Destiny. 104 balcony seats avail from 10 am on day of perf.

COVENT GARDEN. CC. 240 1066. (Gardencharge credit cards 836 6903). [illegible] & Sat 7.30: The Sleeping [illegible]. Tomor & [illegible] 7.00: Otello [illegible] seats avail. from 10 am on day of perf.

SADLER'S WELLS THEATRE. Rosebery Ave., EC1. 837 1672. Credit cards 837 3856. 10-6 pm. [illegible] D'OYLY CARTE in GILBERT & SULLIVAN. Evgs 7.30. Mat Sat [illegible] Wed next: The Mikado.

SADLER'S WELLS THEATRE. Rosebery Ave., EC1. 837 1672. Credit cards 837 3856. 10-6 pm. [illegible] DIE FLEDERMAUS. A [illegible] Armstrong, Nigel Douglas, Philharmonic Orchestra.

THEATRES

ADELPHI. CC. S. 01-836 7611. MY FAIR LADY. [illegible] TONY BRITTON, [illegible] PETER BAYLISS and [illegible] in THE WORLD'S GREATEST MUSICAL MY FAIR LADY. [illegible] New Credit Card Hotline 01-836 7358.

ALBERY. S. [illegible] 876 3878. CC. 379 6565. [illegible] 379 6061. [illegible] OLIVER! GEORGE LAYTON, [illegible] SHAPIRO. CHILD FREE with [illegible] valid 16 years or under [illegible] of purchase.

ALDWYCH. S. [illegible] Info 836 5332. ROYAL SHAKESPEARE COMPANY in repertoire. [illegible] MURDERS. 7.30 [illegible] trilogy (sold [illegible]) Warehouse and [illegible] Theatre.

AMBASSADORS. [illegible] 01-736 1171. Evgs. 8.00. Fri. [illegible] 8.30. DINSDALE LANDEN [illegible] DAVID BURKE [illegible] BODIES by James Saunders. Last weeks —must end March [illegible]

APOLLO THEATRE. CC. 01-437 2663. Group sales 379 [illegible] 3 Sat. 5.30 & [illegible] PEECHAM by [illegible] Sherrin, directed by Patrick Garland.

ARTS THEATRE. [illegible] 2132. TOM STOPPARD'S DIRTY LINEN. Monday to Thursday 8.30. [illegible] and 9.15. NOW IN ITS FOURTH YEAR. Lowest-priced [illegible] in London. £4.00, £3.35, [illegible] £1.85. members. Sat. [illegible]

ASTORIA. CC. [illegible] 4291. 01-734 [illegible] BEATLEMANIA. Mon.-Thurs. 8. [illegible] 6.00 and 8.45. Reduced [illegible] bookings 01-437 3856.

BOULEVARD THEATRE, at the Raymond Revue Bar, Walkers Court, Brewer Street. CC. Tel. 01-437 2661. PAUL RAYMOND PRESENTS [illegible] MARILYN CHAMBERS [illegible] appearance. [illegible] nightly Mon.-Sat. [illegible] 10.00 pm.

CAMBRIDGE. 01-836 6056. Credit cards accepted 01-836 [illegible] 8.00. Thurs. 3.00. [illegible] THE HIT BROADWAY [illegible] MUSICAL ENTERTAINMENT CHICAGO ELIZABETH SEAL [illegible] COLIN BENNETT [illegible] HOPE JACKMAN [illegible] prices for parties [illegible] Students. Nurses. [illegible]

COMEDY THEATRE. [illegible] Mon.-Sat. 9.00. [illegible] THE ROCKY HORROR SHOW. [illegible] Sales Box Office [illegible] Freephone 2381.

CRITERION. 930 3216. CC bookings 379 6565. Group sales [illegible] Sats. 6.30 and [illegible] HALF PRICE P[illegible] Mat. NEIL SIMON'S [illegible] HOT LOVERS. [illegible] Hale. Bridget T[illegible]

DUCHESS. 01-836 [illegible] Evgs. 8.00. Fri. [illegible] OH! CALCUTTA! [illegible]

DUKE OF YORK'S. [illegible] JACKSON. ROSE [illegible] Feb. 20. Open[illegible]

GARRICK. CC. 01-836 4601. [illegible] (sharp). Fri. and [illegible] Gareth Hunt in [illegible]

GLOBE THEATRE. [illegible] Group sales 379 [illegible] Wed. 3.00, Sat. [illegible] Barry Foster, [illegible] in a new play [illegible] IN THE GARDEN [illegible] Williams.

GREENWICH THEATRE. [illegible] Evgs. 8.00. M[illegible] HALL. A new [illegible] "As merry a [illegible] years." D. Tel. [illegible] excellent perform[illegible]

HAYMARKET. CC. [illegible] 8.00. Wed. 2.30. [illegible] Gerald Harper, [illegible] Sherlock Holmes [illegible] WEEKS. ENDS [illegible]

HER MAJESTY'S. [illegible] Opening March [illegible] Broadway Musical [illegible] CENTURY. Redu[illegible] March 10.

HAMPSTEAD. 226 [illegible] The Life & Times [illegible] & Sat Only Dur [illegible] AT TWILIGHT [illegible] David King, 1.1[illegible]

LYRIC HAMMERSMITH. [illegible] Last 5 perfs. To[illegible] Tomor 7.30. Sat [illegible] From War[illegible] by Carlo Goldoni [illegible]

LYRIC STUDIO. [illegible] CITY DELIGHTS [illegible]

LYRIC THEATRE. [illegible] Sales 379 6061. [illegible] Sat. 5.00 and [illegible] [illegible] WEST END THE[illegible]

MAY FAIR. CC. [illegible] Feb 5 at 8.00. [illegible] Mon.-Thurs. [illegible] 8.45. SUSANNAH [illegible] MASSEY, [illegible] Frances White [illegible] Simon Bertmusca [illegible]

NATIONAL THEATRE. [illegible] OLIVIER (open [illegible]) UNDISCOVERED [illegible] Arthur Schnitzler [illegible] Stoppard. Tomor [illegible] LYTTELTON (pr[illegible]) price previews fro[illegible] ME a new play [illegible] COTTESLOE (sma[illegible]) £2.50 Student [illegible] O'Neill Season: [illegible] VOYAGE HOME [illegible] Excellent cheap s[illegible] perf all 3 theatre[illegible] 928 2033. Credit [illegible]

OLD VIC. 928 7615. Le Group TSE presents PEINES DE COEUR D UNE CHATTE ANGLAISE (Heartache of an English Pussycat). Evenings 7.30. Thurs. and Sat. matinees 2.30.

OLD VIC. 928 1616. Abbey Theatre Company presents Cyril Cusack in A LIFE by Hugh Leonard, author of "Da." Feb. 4-15, two weeks only, at 7.30 pm Sponsored by Kerrygold and B & I Line and presented as part of "A Sense of Ireland" (London Festival of Arts).

PALACE. CC. 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat. 6.00 and 8.40 JESUS CHRIST SUPERSTAR by Tim Rice and Andrew Lloyd-Webber. Group sales 01-379 6061 or Freephone 2381.

PALLADIUM. CC. 01-437 7373. YUL BRYNNER in RODGERS & HAMMERSTEIN'S THE KING AND I also starring VIRGINIA McKENNA. HOTLINE—01-437 2055. Evenings 7.30. Mats. Wed. and Sat. 2.45. Some good seats available for Weds. Mats.

PHOENIX THEATRE. CC. 01-836 2294. Evgs. 8.00. Wed. 3.00. Sat. 5.00 & 8.30. *SUSAN HAMPSHIRE, PATRICK MOWER.* SECOND YEAR OF TOM STOPPARD'S NIGHT AND DAY. Directed by Peter Wood. BEST PLAY OF THE YEAR. Evening Standard Drama Award.

PICCADILLY. From 9.00 am. 437 4506. CC bkgs. 836 1071. Evgs. 8.00. Thurs. 5.00 and 8.00. Sat. 5.30 and 8.30. PETER BARKWORTH, HANNAH GORDON in Brian Clark's new play CAN YOU HEAR ME AT THE BACK? LAST 3 WEEKS. ENDS 16 FEB.

PRINCE EDWARD. CC. 01-437 6877. Evgs. 8.00. Mats. Thur. and Sat. at 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince. Matinee seats now available.

PRINCE OF WALES THEATRE. 930 8681. An Evening with TOMMY STEELE and his Company. Evgs. Mon.-Thurs. 8.30. Fri. and Sat. 6.00 and 8.30. Book Now.

RAYMOND REVUEBAR. CC. 01-734 1593. At 7.00, 9.00, 11.00 pm. Opens Suns. PAUL RAYMOND presents THE FESTIVAL OF EROTICA. 22nd Sensational Year. Fully air-conditioned.

ROYAL COURT. S. 730 1745. Prevs. Sat & Mon at 8. Opns Tues at 8. Subs 8. PEOPLE SHOW No. 84. Mon. and Tues. all seats £1.50. Wed. and Sat. all seats £2.00.

ST. GEORGE'S THEATRE. 607 1128. Evgs. 8. Sat. Mats. 5 (24 hr. bkg.) Elvi Hale, John Quentin in ON APPROVAL Frederick Lonsdale's comedy. Special 2.00 Perfs. Tues to Fri. JULIUS CAESAR.

ST. MARTIN'S. Credit Cards. 836 1443. Evgs. 8.00. Tues. 2.45. Sats. 5.00 and 8.00. AGATHA CHRISTIE'S THE MOUSETRAP. WORLD'S LONGEST-EVER RUN. 28th YEAR.

SAVOY THEATRE. 01-836 8888. CC 836 8118. (Mon.-Fri. 10-6). LESLIE PHILLIPS, JUNE WHITFIELD, SYLVIA SYMS and ANDREW SACHS NOT NOW *DARLING. Mon.-Thurs. 8.00. Fri. and* Sat. 5.45 and 8.45. Reduced price mats. on Friday. Group bookings 01-437 3856.

SHAFTESBURY THEATRE. CC. S. 01-836 6596. From Feb. 2. Evgs. 8.0. Weds. 3.0. Sat. 5.30 and 8.30. CAROL CHANNING HELLO DOLLY! Also starring EDDIE BRACKEN. Seats £1-£6.50. Group Bookings 01-734 2293. SPECIAL PRICES STUDENTS & OAPs (Wed. Mat. all seats £2.50 OAPS and students).

STRAND. 01-836 2660. Evenings 8.00. Mats. Thurs. 3.00. Sat. 5.30 and 8.30. LONGEST RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. Credit cards 01-836 4143. Group sales 01-379 6061 or Freephone 2381.

TALK OF THE TOWN. CC. 01-734 5051. AIR CONDITIONING. CREDIT CARDS. LONDON'S GREATEST NIGHT OUT. From 8.00. Dining and Dancing. 9.30 SUPER REVUE "BUBBLY." AT 11.00 THE BLACK ABBOTS DANCING UNTIL 1.00 am.

VAUDEVILLE. S. CC. 01-836 9988. Evgs. 8.00. Sat. 5.30 and 8.30. Wed. Mat. 2.45. ALAN BATES in STAGE STRUCK. A new thriller by Simon Gray.

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sat. 2.45. ANNIE. Group Sales Box Office 01-379 6061 or Freephone 2381.

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THE ARTS

Elizabeth Hall

Nash Ensemble

by MAX LOPPERT

After the somewhat make-shift air of the previous London concert of the Nash Ensemble, at the Wigmore Hall, it was both a pleasure and a relief to be able to salute Tuesday night's as entirely true to Nash form, and, in the event, one of the most enjoyable of the year so far. The programme was both rich and rare; and the four pieces of which it was composed all sounded lived-in, felt, shaped — the obvious result of playing the recital nine times across the country (on one of the Contemporary Music Network's invaluable tours) prior to bringing it to London. One might possibly quibble over the execution of this or that detail; impossible to deny the distinction of each performance.

It was a concert of exquisite sonorities, deftly fashioned and placed. There is, of course, more to *Le Marteau sans maître* than exquisite sound; yet, in a performance conducted by Lionel Friend that caught the ceaseless flux and the cryptic fancies of the Boulez masterwork with miraculous freshness, the temptation to relax into an uncritical ravishment of the senses was at times uncommonly strong. (Strange to consider that this is no longer an impossible avant-garde mystery but already a much-imitated modern classic, 25 years of age — have we finally passed out of the period when every second young composer betrays a compulsion to introduce a vibraphone and a xylorimba into a chamber ensemble?).

Though no doubt Boulez himself would wince at the suggestion, there is implicit licence for "anecdotal" (let me borrow for a moment the disapprovingly thin-lipped modern usage of the epithet) listening in the score itself. A context set earlier by Ravel (Introduction and Allegro) and by Ravel's little-known pupil Maurice Delage (*Quatre Poèmes hindous*) helped make the point, serving at the same time to emphasise the backward-peering aspects of *Le Marteau* and even — though specifically denied by the composer — an exoticism of colour and character that places the work in a French musical tradition stretching back to Félicien David and well beyond.

Delage, as costive in composition as Duparc and Dukas, is one of those French minor figures apt to inspire a passionate loyalty. Mine was first assured by the Melos Ensemble record, with Janet Baker, of the *Four Hindu Poems* more than a decade ago, and subsequently by occasional Radio 3 broadcasts of his tiny *oeuvre*. The four songs were the fruit of a 1912 Indian visit. Local colour is precisely investigated — in the second and most beautiful of the songs, "Un Sapin isolé," a cello snaps and slides like a sitar, and the mezzo-soprano floats into wordless arabesques — yet never simply as tourist material, because the atmosphere has been discovered and re-invoked by a fastidious craftsman. Sarah Walker, also a masterly vocalist in Boulez, sang the songs with that combination of voluptuous colouring and strict musicianship that causes one to wave banners about her every London appearance.

The odd man out in an all-French programme was Gordon Crosse's *Wildboy*—though if the inspiration of the Wild Boy of Aveyron and of Truffaut's wonderful film on that subject, *L'Enfant sauvage*, be taken as proof of national identity, then this third in Crosse's series of concertante works for woodwind solo and small ensemble could be said to fit harmoniously with its companions. And while its immediate roots can be traced to Britten, there seems something almost Ravellian about Crosse's refinements of instrumental timbre—the use of the cimbalom is a brilliant *apercu*. What I felt about *Ariadne* (with oboe) and *Thel* (with flute), also "about" conflicts of Innocence and Experience, I reluctantly came to feel about *Wildboy*: the actual material fails to clinch the conflicts. It was more than a little naive of Anthony Pay, the solo clarinettist, to change into his cleanest tee-shirt and cords for the performance: accomplished player he may be but visual symbol for Victor prowling the forests of Aveyron he was not.

Oxford Playhouse

Before the Party

by GARRY O'CONNOR

Every popular actor sooner or later tries his hand at directing. Tom Conti has picked Rodney Ackland's *Before the Party* for his English debut. Written in 1949, based on a Somerset Maugham short story, *Before the Party* carries all the prototype features of the well-made play.

As in Priestley's *An Inspector Calls*, written a few years earlier, a powerful thriller element is to the fore in Laura Whittingham's gradual confession of the murder of her husband, Harold, eight months before in the Gold Coast, the secret whose discovery now threatens all Laura's family, about to leave for a local Surrey garden party.

Before the Party provides opportunity, too, for sharp social observation of the family itself, whose head, Aubrey Skinner, in search of nomination as a Tory for a forthcoming by-election, is desperate not to put a foot wrong. For good measure, although cumbrously, Ackland throws in some poetic symbolism. Harold is first said to have cut his own throat: Laura's little sister, beset by questions of good and evil, has, that morning, seen a pig's throat sliced; also, the week before, been to a film where the hero cuts his wrists, and so on.

But Ackland wanted to have the cake and eat it. While the management of the secret about Harold is cunningly worked out even if at times blatantly contrived, Ackland's invention lets him down with Skinners. Aubrey Skinner is too predictable, too stupid, and possibly would have been even less believable if not for Michael Gough's highly accomplished, half farcical mixture of bluster and exaggerated calm.

Perhaps Mr. Conti might have given Mr. Gough a chance to play Skinner more seriously; like Priestley, Ackland wanted to show the decaying class structure and Skinner's sycophancy and timidity in the seeking of position, his hypocrisy in the face of his own family, was intended to be more than farcical. But if so, the balance of the production would have been upset.

Likewise is the shallow jealousy of Laura's sister, Kathleen—played by Louise Breslin: her desire to ruin her own sister happily coincides with her virtuous role in the interests of truth. Fortunately the mother, played by Phyllis Calvert, is more forgivably fluffy, and weak: Laura and younger sister apart, she comes out with the most rounded character.

There remains Jane Asher's steely performance as Laura. At times she has to fight hard to establish her presence especially when Mr. Conti, taking advantage of the flimsy characters, has chosen to surround her with a family whose hysteria is mainly farcical. Tanya McCallin's set is not a great set either, in terms of visual concentration. Miss Asher holds valiantly true, aided by the play's one strong asset, its story, and by her young man, David Marshall (Miles Anderson). Her last outburst, the final stage in the series of partial confessions, is a tour de force. Her younger sister, Susan, played by Jayne Tottman, is touchingly real, and asks all the pertinent questions.

Jane Asher

Leonard Burt

Record Review

Tell me on a Sunday

by ANTONY THORNCROFT

With *Evita* approaching the end of a second successful year in London and well settled in New York, and its composer Andrew Lloyd Webber being increasingly mentioned in terms of an English National Opera production (Covent Garden is still rather stiff necked) any new composition by this 31-year-old tyro demands attention. It certainly gets it. The latest work, an album entitled *Tell me on a Sunday*, was launched in London this week with a concert performance at the Royalty Theatre before a host of names, who later got fed and watered for their efforts.

A similar approach almost four years ago introduced *Evita*. At the time I was impressed by the pretension of the music but could not imagine how choruses of Argentinian trade union leaders could form the basis of a smash hit musical. Well, Lloyd Webber, helped by Tim Rice's relatively sophisticated (at least "A" Level English) words, established *Evita* as the first serious British musical. *Tell me on a Sunday* is a much less ambitious vehicle. At the moment it can be given a concert performance but it is essentially a recital of feminine traumas, the life, in song, of an English woman in New York and how she copes in turn with a broken marriage, the vicissitudes of subsequent unhappy love affairs and the final, rather pat, realisation that you cannot escape your own personality. Or, as the closing lines of the piece have it, "It's not the end of the world to be free, It's not the end of the world to be me." Lloyd Webber is not discounting the idea that one day *Tell me on a Sunday* will be a fully fledged dramatic presentation. In the immediate future the hope is that it will be a successfully selling album, spawning lots of hit singles, and making a respectable fortune.

It is not likely to disappoint. For a start while *Evita* was recklessly bold in its choice of subject matter *Tell me on a Sunday*, a succession of love songs reflecting the emotions of a representative 1980 woman (representative in terms of how many women might like to imagine their lives) is not going to have any problems in reaching a rapport with its audience. This is modern love, media style, which is the way many people prefer reality. And then, the clincher, Andrew Lloyd Webber has written his most immediately accessible melodies. By the second hearing the tunes, with their simple but potent hook lines, will be irritatingly embedded in your soul. Ironically in the new play *Beecham*, which opened the night after the *Tell me on a Sunday* premiere, Timothy West declaims Sir Thomas's Washington speech of the 1950's when he said that a decent tune had not been written in the previous thirty years. It is not too far fetched to suggest that Lloyd Webber's happy wallowing in the classical and popular musical traditions has come up with a respectable riposte.

Of course some of the melodies are very reminiscent of *Evita*, scraps from the orchestra pit floor. In particular, in songs like "Let me finish" use is made of that dramatic recitative that furnished some of the most striking moments in *Evita*. The languorous theme of "It's not the end of the world" echoes the lusher strains of the earlier work. The fact that *Tell me on a Sunday* was composed in New York while Lloyd Webber was working on the *Evita* opening there tells all in terms of both plot and sound. It has all of the immediacy, passion, and superficiality of that city. Lloyd Webber has confirmed that he can bridge the gap between Radio Two's output of music to dream to and iron by and the more demanding claims of real and lasting melodic drama. *Tell me on a Sunday* is respectable and popular and you can't expect more.

This happy compromise owes much to Lloyd Webber's new lyricist, the experienced Don Black whose last West End work was *Bar Mitzvah Boy*. Black has a very light touch, much less ambitious than Tim Rice in his rhymes and ideas but well suited to this work. There is a relevancy, a conversational ease in the lyrics which fits the melodies to perfection. Finally the singing of Marti Webb, who also acted well in the concert performance, manages to switch from pathos to stridency with credibility. The script makes her a victim but one that does not need or expect the voyeuristic sympathy of friends. On the album the London Philharmonic Orchestra is used with effect, in particular in the big and compelling ballad "Tell me on a Sunday" which will soon be a hit and will then become a standard.

Marti Webb

Berlin Theatre

Applause

by RONALD HOLLOWAY

After opening the new Theater des Westens in Berlin a year ago, Intendant Karl Vibach has enjoyed dickering with the musical: first, *Cabaret*, then *Show Boat*, and now *Applause*. His lone salute to the revered operetta, *Wie einst im Mai*, recalled the glory days of a past Berlin tradition that may never be recovered, save in revivals (the Kollo operetta is due back in town in March).

Applause, music and lyrics by the team of Charles Strouse and Lee Adams from a book by Betty Comden and Adolph Green, is best remembered as a stunning hit-show conceived for Lauren Bacall, who triumphed in New York and London a decade ago. Film buffs (and there are plenty in Germany) recall the musical's film source with some relish, for the Oscar-winning *All About Eve* (1950) was tailormade for Bette Davis —and several here will swear on their première tickets that Mary Orr's original novel, "The Wisdom of Eve," was based on an incident that occurred in the career of Elizabeth Bergner (not Tallulah Bankhead, as other versions have it).

Vibach's choice for the lead, Margo Channing, is, fittingly, a star of the post-war German film, Nadja Tiller, who began her career as a mannequin, then Miss Austria, and finally the glamour in a series of Rolf Thiele films, the best known of which was *Das Mädchen Rosemarie* (1958). She was coaxed out of retirement by Vibach for his Lübeck production of *Applause* a few seasons back, which in turn served as a warm-up for the Berlin bow.

It's a solid show at the Theater des Westens, directed by Michael Wedekind with an eye for dance numbers and acting polish. The sets (Ekkehard Kröhn) are lovely, as usual and expected in this sumptuous theatre. One performer, Sigrid Rautenberg, can indeed sing, dance and act—she plays Bonnie, a performer from a Broadway musical, who nearly steals the show from a game Nadja looking every bit the part of a star used to applause.

*

Shortly after the Deutsche Oper Berlin offered Lehar's *The Merry Widow* as a holiday bonbon, it was announced that Götz Friedrich would replace Siegfried Palm as Intendant, thus terminating cellist-manager Palm's five-year contract. The light opera rightly belonged in the city's Theater des Westens, where musicals and operettas have become the order of the day. However, the crowds flocking to the latter have apparently embarrassed the former — so a pompous, lead-footed, uninspired *Merry Widow* before television cameras on opening night under August Everding's direction seemed like an appropriate straw to grasp for.

Now Götz Friedrich, the talented and prolific student of Walter Felsenstein at the Komische Oper in East Berlin, will take over the reins of the most heavily subsidised opera in West Germany, where outlays of cash demand quality in return and each premiere is viewed by critics as a test in vision and fortitude.

Friedrich's famous productions at the Komische Oper as Oberspielleiter under Felsenstein included *Porgy und Bess*, *La Boheme*, and *Noch ein Löffel Gift, Liebling?*, before leaving the East for the West while directing *Tannhauser* in Bayreuth in 1972. He then directed a Mozart-Cycle, *Die Fledermaus*, and Zimmermann's *Die Soldaten* at the Hamburgische Staatsoper (where he served as Oberspielleiter under Everding in 1973-74), followed by *Der Ring des Nibelungen* in London, *Die Meistersinger* in Stockholm, and *Moses und Aron* in Vienna and Milan.

His return to Berlin as an advocate, in the Felsenstein tradition, of a "singing performer," rather than a "singer," is all the more portentous in light of Joachim Herz's current Intendanz at the Komische Oper. As Felsenstein's student and successor, Herz's productions are as closely and avidly followed in the East as Friedrich's in the West. The challenge is already there: Herz's new brilliant production of Alban Berg's *Lulu* at the Komische Oper.

Evening Standard Drama Awards, 1979

The Evening Standard has announced its 25th annual set of drama awards. The Best Director of the Year (awarded in memory of the late Sydney Edwards) is Trevor Nunn for *Once in a Lifetime*; the Best Comedy, *A Day in Hollywood, Night in the Ukraine* by Dick Vosburgh; the Best Play, *Amadeus* by Peter Shaffer; the Best Musical, *Songbook* by Monty Norman and Julian More; the Most Promising Playwright (joint award), Richard Harris for *Outside Edge* and Victoria Wood for *Talent*; the Best Performance by an Actor, Warren Mitchell in *Death of a Salesman*; and the Best Performance by an Actress, Vanessa Redgrave in *The Lady From the Sea*.

A special award, for his services to the British Theatre over 25 years, was presented by Princess Margaret to Sir Peter Hall.

Timothy West

Leonard Burt

Apollo

Beecham by MICHAEL COVENEY

Timothy West as Sir Thomas Beecham strides unapologetically on to the stage, mounts the podium and raises his baton. A cough, a movement, and he swivels round to fix an elderly latecomer with a demolishing stare. Settled again, he thrusts his baton rudely at the uninhabited violin desks and a somewhat raunchy version of the National Anthem has anxious First-Nighters struggling to their feet.

From this promising beginning, Caryl Brahms's and Ned Sherrin's affectionate tribute subsides into a sort of sedate "lectern and glass of water" evening. I admire their arrangement of the material, much of which is sensibly lifted *verbatim* from Neville Cardus's matchless "Memoir." This approach yields a deft repetition of the extraordinary interview Cardus conducted, live on radio, with Beecham when he landed in Australia. Having been briefed not to interrupt, Cardus was met with deafening silence on each question. Apart from in that scene, Terry Wale functions as a rather characterless amalgam of Cardus, orchestral player and stooge.

Mr. West's contribution is another matter altogether. I am sure that Beecham was never as likeable as Mr. West makes him out, puncturing that vaguely sadistic epigrammatic exterior with generous dollops of Lancastrian good sense. As a Mozartian, champion of Delius and educator of British musical taste, Beecham's claim to fame is indisputable. But unless you know Delius, or indeed like his music very much, the long graveside tribute, which is itself preceded by such pronouncements as "Delius's music is as alluring as a wayward woman," rapidly becomes uninteresting and soporific.

Lines that stand the test of time include Beecham's response to being reprimanded for not knowing Malcolm Sargent had been knighted—"I knew he'd been *doctored*"; or his advice to a young man to try everything once, "except incest and folk dancing." Mr. West delivers these gems with faultness aplomb, making you feel glad that somebody else was on the receiving end. But the mask is continuously slipping, as when we hear how he rescued his mother from the asylum, or cut short his last rehearsal to stand the orchestra lunch and watch the Cup Final.

Festival Hall

London Philharmonic

A thoroughly interesting concert on Tuesday with surprises. One was the abrupt halt by the conductor John Pritchard just after the start of the last variation of his novelty, Mauricio Kagel's Variations without Fugue for large orchestra on the Variation and Fugue for piano, op. 24, by Johannes Brahms. Someone had failed to amplify the harpsichord, which has a defining role at that point. Pritchard began again, with no better luck, but went on to the end.

The omission was structurally damaging in at least one way: Kagel's wry, jokey variations on-variations mostly wear a low profile, and the declamatory clang of the harpsichord was certainly required for the sense of an ending. The work presupposes familiarity with the Brahms original; without that, its ingenious twists and sidesteps (all very deadpan) must seem protracted. There is perhaps an excess of rolling chromatic ascents across the whole orchestra — Berg's Wozzeck seemed to be drowning again and again and again.

Another surprise came in the uncommonly lovely performance of Beethoven's Violin Concerto by Pinchas Zukerman, when he inserted a sensational cadenza by Kreisler—not just bravura, but a piece of outrageous bravado—in place of the announced Joachim one. It is understandable that he likes playing it, since he did it superbly, but puzzling nevertheless in the midst of an account so sweetly lyrical and unforced. Pritchard and the orchestra were sensitive partners: a few indications that he and Zukerman had differing views about tempi were quickly and expertly erased.

The final surprise was on a grand scale, the "Fifth Symphony" of Brahms—Schoenberg's orchestration of his early Piano Quartet op. 25. (Admirable programme planning!) It eminently deserves to be known; the violence of the original piano part often points toward supra-chamber resources, and Schoenberg's realisation of that possibility is both faithful and daring.

DAVID MURRAY

FINANCIAL TIMES
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A new start for Iran

OUT OF the smoke and confusion of the past year in Iran a clearer impression of where the country may be heading is at last beginning to emerge. The decisive outcome of the Presidential elections last Friday has hastened the process, giving Mr. Abol Hassan Bani-Sadr a mandate to govern.

Like all the others who have held positions of authority since the revolution Mr. Bani-Sadr has begun by calling for an end to dual government. Although he was specifically referring to the way in which the band of militant students holding the U.S. Embassy has become a centre of power in its own right, the argument has implications right across the breadth of society—from the shop floor to the command of the armed forces. Iran's President-elect undoubtedly feels he has the support of the people as a whole and of Ayatollah Khomeini, in grasping the nettle as soon as possible. The religious leader has told Iranians unmistakably to rally round the men they have elected.

Respite

Iranians have endured two years of almost constant turmoil, going back to the start of large-scale disturbances against the Shah in January 1978. There are reasonable grounds for thinking that a period of respite, to catch their breath and adjust to the new realities of their transformed situation at home and in the world, would now be more than welcome. Of all the Presidential candidates, in what appears to have been a free exercise of choice, within the terms laid down by Khomeini, Mr. Bani-Sadr offered the most concrete programme and the most down-to-earth one.

Contrary to popular belief (especially among Iranians) Iran is not a deeply religious country. Islam commands considerable respect as a philosophy and moral code, but in private most Iranians would admit that religion gets in the way of their daily life. It is a view of his people Ayatollah Khomeini no doubt disagrees with profoundly—or else would ascribe to the evil influence of a half-century of westernisation under the two Pahlavi Shahs. Whether or not the condition is properly judged, he and those who share his views, including the new President, are determined to bring about a social and moral revolution in which Iranians would embrace a simple and pious lifestyle.

Although the divisions in the country have yet to heal, Iran may be on the way to recovering its balance. Evidence would be the way in which the occupation of the U.S. Embassy has lost much of its interest as a spectacle and an issue. The confrontation with the United States is still some way from a solution but for once in the twelve week crisis, all the indications appear to be pointing in the right direction. The constructive approach Iran has now adopted towards the question of its foreign financial dealings is another good augury.

There have been frequent false dawns, but this time Washington should have good grounds to feel that its policy of quiet pressures, as opposed to the public thunder of economic sanctions and naval manoeuvres, may be doing the trick. Using the classic police approach to hostage situations, the U.S. has apparently convinced Mr. Bani-Sadr, among others, that the demand for the return of the Shah is unattainable and therefore that a face-saving way out is what is needed.

Somehow a package solution will have to be put together. Within it some form of an international enquiry into the Shah's rule will almost certainly have to take place. Coaxing the Iranians down the road to releasing the 53 Americans they hold, Mr. Cyrus Vance, the U.S. Secretary of State, stated on Wednesday that there was no longer any question of applying sanctions against Iran.

The relatively muted response of the Iranian authorities and the students to the news that six Americans from the occupied Embassy had slipped their grasp must have also given cause for hope in Washington that the eventual release of the others has not been seriously endangered.

Conscience

Once this crisis is over Iran will need to take serious stock of its international position, within its immediate region, in the wider circle of the Moslem world and in the world as a whole. Up to now it has been unconcerned about the international consequences of its actions and its proclaimed beliefs. The recent Islamic Conference in Islamabad made plain the extent to which Iran is being pulled in two directions — towards the radicals like Algeria and Syria, and towards those like the Afghan rebels who could be said to represent the most pressing cause for the Islamic conscience.

Ayatollah Khomeini has constantly preached independence from both the superpowers. He may be realising somewhat belatedly that his obsession with undoing the effects of American "cultural imperialism" in Iran has overshadowed the other goals he has set himself in the remaining years of his life.

Regulating free trade

THE GROWING fears that a "trade war" between the U.S. and Europe may be imminent, if the EEC takes action to protect European manufacturers of synthetic fibres against American imports, is certainly a sad reflection on the recently completed Tokyo Round of trade negotiations. But EEC Trade Ministers, meeting in Brussels next Monday, should not allow justifiable worries about the growing danger of protectionism, to divert attention entirely from one of the achievements of the Tokyo Round: the clarification of the concept of "fair" trade, which must underlie any attempt to promote greater trade freedom.

Advantages

Protectionism and subsidised trading are two equally undesirable aspects of the same phenomenon. Action taken according to internationally agreed rules, to protect a domestic industry against imports which can be shown to be unfairly subsidised, is not a negation of the principles of free trade. Accordingly the main issue that the EEC must now consider is whether the advantage that American chemical manufacturers derive from their government's controls on energy prices does in fact amount to an unfair subsidy of the type covered by GATT and by the code on subsidies which was the most significant product of the Tokyo Round agreement.

The question of how the Americans would react to any countervailing action against their fibre exporters is, in principle, a secondary one. The cause of free trade is better served if disputes are resolved by the explicit application of agreed rules, than if they are left to unregulated political horsetrading. Admittedly the rules of GATT on subsidies and their interpretations in various countries' domestic legislation are by no means unambiguous at the moment. But the best hope for their clarification lies in the development of a body of case law and precedent. Provided it could be done in a co-operative spirit, a greater willingness to apply rules in trading disputes could strengthen the GATT framework, rather than weaken it. Indeed this is just the way in which GATT originally became established as a widely accepted set of principles in the 1950s.

In practice, of course, politicians are bound to consider the immediate consequences of their actions in a world that is very unsteady in its commitment to free and orderly trading. For instance, the fear that action on American fibres may lead to retaliation in other sectors, such as steel, is bound to figure in the EEC Ministers' calculations. Although it is by no means clear that the U.S. Government can prevent American steel manufacturers from proceeding with anti-dumping actions against European steelmakers, there is a natural desire not to encourage protectionist feelings.

Some politicians on both sides of the Atlantic would prefer to reach a voluntary solution in both these trading disputes and to avoid court action or the appearance of protectionist sanctions. However, there is a danger that any compromises will be based on protectionist principles as surely as the sanctions they are designed to avoid.

General rules

Any solution to these trading problems which did not involve some form of countervailing duties would therefore probably be based on voluntary restraint. But the principle of voluntary restraint, no less than the erection of tariff barriers, undermines the international division of labour. Indeed, because it bypasses normal market forces, it could be argued that voluntary restraint is more damaging than monetary mechanisms. Resort to voluntary agreements may be politically expedient and, in some cases, unavoidable. But it is in the interests of free trade that it should be regulated on the basis of agreed general rules whenever possible.

Rhodesian business faces an uphill struggle

BY QUENTIN PEEL, in Salisbury

THE Rhodesian business community is learning to live without sanctions. After 14 years of furtive trading under the counter, finding markets where no questions were asked, using strange middle-men, and falsifying certificates of origin, it is a heady process.

"We have been doing business the wrong way for so long, it is difficult to remember how it should be done," a Rhodesian trader said last week. "We have had to get the manuals out, blow the dust off the covers, and learn it all over again."

Nevertheless, the cynicism bred from dealing with strange bedfellows dies hard. The sanguine response one might have expected to such a breakthrough is heavily tempered with caution. Banks in Salisbury are currently awash with cash. "We are underlent, and we shall look at any proposition that comes our way," one of the leading bankers said. "But we have not had anyone in with a cheque book yet. They are all waiting to see which way the election goes."

Poll result wait

For the time being interest in the country's political future is paramount. Investment decisions are being kept on ice until after the poll in February. Government economic strategy is in limbo under the overlordship of Lord Soames, the British Governor. Decisions on foreign borrowing, and debt servicing, must await the advent of a new regime.

The caution is understandable, for the election is being fought by parties with widely differing philosophies; ranging from tribal traditionalists, to pro-western capitalists, and African socialists and Marxists. The outcome of the poll will not only determine the economic direction of an independent Zimbabwe. It will also be a major factor in determining the attitude towards it of the international investing community.

"I do not believe all the people who say they will leave on the spot if ever the Patriotic Front wins power," Sir Keith Acutt, deputy chairman of Anglo American, says. "What they really mean is that if law and order break down, and there is a totally inefficient Government, people will leave. That is a concern of everybody." The major mining companies, such as Anglo American, Rio Tinto Zinc, Union Carbide, Lonrho and others, are obviously committed to living with whatever Government emerges. They cannot realise their assets and leave.

The biggest multinationals show a similar pragmatism about their future. "The theme from here will be a socialist bias to equalise the lot of the people, whichever party wins power," a top banker said. "But we do not intend to leave."

SECTORAL BREAKDOWN OF RHODESIAN GROSS DOMESTIC PRODUCT (Main areas in per cent)	1965	1978
Agriculture	18.0	15.8
Mining	7.0	6.5
Manufacturing	19.6	21.6
Construction	4.6	3.3
Distribution	15.0	13.2

However, deep trepidation about the prospects under a militant black Government is widespread in the Rhodesian white community. Particularly white farmers, who occupy a key position, fear the prospect of land redistribution. A mass white exodus remains a very real possibility.

To that extent, a radical Government could face a much more hostile economic environment than a conservative one. Yet any future Government will face the same underlying economic realities, both in the area of potential growth, and that of restraints on that growth, and will ignore them only at its peril.

The common and immediate problem for an incoming Government will be to generate sufficient economic growth both to provide employment for a rapidly expanding population, and to pay for a redistribution of wealth and economic opportunities in favour of the black majority. The unemployment problem is already critical, although there are no reliable figures.

One estimate puts the number of job seekers at 990,000 out of a total population of 7m—a population moreover, that is growing by some 3.6 per cent each year. Unemployment will be rapidly swollen both by refugees returning from neighbouring countries, who number between 200,000 and 250,000, and by both regular soldiers and guerrillas seeking civilian employment in the aftermath of the war. The problem is likely to be aggravated by the pressure for higher minimum wages, another aspiration shared across the black political spectrum.

However radical the new Government's policies, it faces immediate budgetary constraints. Officials estimate that military spending, currently running at some Rhodesian $1.3m (about £850,000) a day, can only be run down over 18 months, for fear of throwing too many men on to the jobs market at once (the war now absorbs roughly 21 per cent of EDP). But an end to the war would mean an early reopening of hundreds of rural schools, adding an immediate Rhodesian $50m to the education budget.

There is a massive programme of rehabilitation to be undertaken, especially in the rural areas, for which international aid is sure to be forthcoming. The new Government will also inherit a budget deficit running at almost Rhodesian $550m, or 21 per cent of national income (war expenditure has risen from 18 per cent of 1974 budget to 40 per cent of 1980 budget). To cover the budget deficit the outgoing administration has borrowed large, but undisclosed, amounts from foreign sources since March 1978, principally in South Africa and Switzerland.

The existence of areas of potential growth is undisputed. In spite of the rapid development of its manufacturing industry to replace imports during the sanctions era, Rhodesia lacks potential to become a highly sophisticated industrial nation, because it relies entirely on imported technology. Its potential is as a producer of primary goods, both agricultural and mineral, with some capacity for upgrading them into higher-value products.

The mining sector is the one where expansion plans are nearest to implementation. Mr. Alan Marsh, president of the Chamber of Mines, expects production of ferro-chrome and lithium oxides to be stepped up immediately, particularly for the U.S. market. Both were badly hit by the strict enforcement of sanctions by Washington, and spare capacity is available.

In the medium term, increased production of both coking coal and chrome ore for export is likely, provided the existing shortage of transport can be overcome. (In any case, exports of both have been very small recently.) Anglo American plans to increase the production at its Wankie colliery from 2.5m tonnes to some 4m tonnes a year, both for the new Wankie power station and for export. There are also several plans to increase gold production, including Lonrho's Athens mine, using the carbon-in-pulp process which would be new to southern African. Rio Tinto plans to spend Rhodesian $12m on new capacity at the Renco gold mine in Fort Victoria. Longer term prospects include platinum and nickel.

An armed Rhodesian tobacco farmer inspects his crop: the industry was hard hit by sanctions

Agriculture surplus

Rhodesian agriculture has traditionally produced a substantial export surplus, and should reap early benefits from the lifting of sanctions, at least in terms of increased returns from direct sales, instead of having to operate through middle men. Tobacco production was hit by sanctions, and both tea and timber seriously affected by the long haul through South Africa. The cattle industry was probably the hardest hit by the war, and may take some time to recover from the collapse of dipping services and tsetse fly control. But coffee is a new and potentially lucrative export, while maize and wheat should find new markets in neighbouring countries like Zambia.

Prospects for manufacturing are more mixed. The sector has been highly, often totally, protected by sanctions. Many products are expensive and of poor quality, even if ingenious. Import protection is therefore likely to stay where its removal would threaten jobs.

The only real area for expansion is into the neighbouring countries, like Zambia, Malawi and Mozambique, whose markets are not large, and whose foreign exchange resources are strictly limited. Nevertheless, the motor industry could serve the whole of central Africa, and steel production is also likely to remain highly competitive. But manufacturing is unlikely to provide the bulk of the new jobs needed.

There are several obstacles to a rapid recovery of economic growth. They include a lack of international capital, skilled labour, foreign exchange, transport and power. Overcoming these shortages will depend to a great extent on achieving political stability.

The administration has already drawn up a huge Rhodesian $3.5bn public sector capital programme, with the heaviest spending on the expansion of both power and transport capacity. In the past three years, inadequate transport has often been a greater constraint on exports than have sanctions. An immediate Rhodesian $80m programme to electrify the Salisbury-Gwelo railway is planned.

The purchase of equipment for the Wankie power station, the shell of which is built already, can also be given immediate approval. Both schemes are dependent on the necessary finance. In the longer term, electricity output could be increased either from more coal-fired power stations, or from at least four major hydro schemes on the Zambezi.

White artisan exodus

Skilled labour is a serious constraint, particularly on the mining, engineering and construction industries. Lack of skills has meant many mines abandoning routine maintenance for emergency maintenance only. "Our white artisan class has almost vanished," according to one leading businessman. An end to the war would help, but a continued exodus of whites would negate any early benefit, so a crash training programme is needed.

Both mining and manufacturing sectors urgently need capital re-equipment in the wake of sanctions. That will call for an injection of foreign capital before these sectors can make their due contribution towards righting the balance of payments. In spite of running a healthy visible trade surplus in recent years (largely attributable to import controls), a heavy outflow on the invisible account, including dividends and other remittances, has tended to push the external balance into overall deficit. In the absence of official figures, there is some dispute over the exact position. A recent forecast carried out within the government put the 1979 payments deficit at Rhodesian $20m on the basis of a visible trade surplus of Rhodesian $100m, an invisible deficit of Rhodesian $200m and a capital inflow of Rhodesian $80m. The forecast for 1980 and 1981 suggests a worsening position, with overall deficits of Rhodesian $70m and $120 respectively.

The relative vulnerability of the external payments has convinced the present administration that it cannot afford to relax import controls, to release blocked funds, or repay Government debt contracted before the Unilateral Declaration of Independence. Moreover the present rigid petrol rationing is set to stay.

The five year plan produced last year foresaw growth rates of 3 per cent, 5 per cent and 8 per cent respectively in 1980, 1981 and 1982. That does look on the optimistic side: the future Government of Zimbabwe will be faced with the classic dilemma of being unable to achieve stability without rapid economic growth, and unable to achieve that growth without a rapid demonstration of its political stability.

It will have to reconcile rising African expectations with the fears of the whites for their economic security. It will obviously require a balancing act of some skill, at the very time when the electorate is expecting dramatic political changes after years of white minority rule. The rapid exploitation of Zimbabwe's undoubted economic potential is by no means guaranteed.

MEN AND MATTERS

Sky divers abandon ship

The prerequisite of any good mystery story is that it should have a nice, neat ending. No such luck, I fear, with the tale of the Aeolian Sky and its vanishing cargo of £4.5m in Seychelles rupees. Jim Rowland, the Folkestone salvage wizard, tells me he has been told to give up the search for the money and keep away from the wreck lying in 100 feet of water off the Dorset coast. The order, which came via the Salvage Association from the Seychelles Government, has also been passed on in the form of a warning to amateur treasure hunters who might try to find the loot.

One official close to the investigation says that in addition to the usual underwater hazards, skin divers might find themselves blown up by army gunners on the Downs who regularly practise lobbing shells in the general direction of the sea.

The wreck has now become the property of Trinity House, which will assess its potential danger to other shipping (much less I would think, than the threat from the land-based bombardiers) and probably blow up the hulk at the end of April.

Rowland, managing director of Eurosalve, the company commissioned to rescue the cash, remains as puzzled as everyone else in the investigation about what became of 12 heavy waterproof money boxes. He is also a little peeved that two of his divers—told for security's sake they were looking for X-ray plates—walked out in a huff when the truth leaked out.

But he seems relieved to have his divers out of the bone-chilling murk around the ship and is now hoping he succeeds with his bid to buy the 3,500-tonne Athina B, conveniently perched on the shingle near Brighton's Palace Pier. At least he will not need divers for that one. In the circumstances it seems just as well.

Bottle battle

PINTIES, those squat new milk bottles, have won their battle for doorstep dominance. The losses have been heavy, but the dairy industry is now fully committed to phasing out traditional bottles by the end of the decade, leaving only pinties and the odd carton in circulation.

Suffering badly in the fighting is Milk Vessels Recovery, a national friendly society which specialises in rounding up stray milk bottles and returning them to their rightful dairies. Managing director Eric Garter, a former CID sleuth, charges dairy companies 2p a stray; cheap when compared with the 5½p to 9p cost of a new bottle.

He has been sceptical about the new bottles since they were introduced four years ago. "We are getting a few more pinties, but it's nothing" he tells me. "We can only judge by what we get through this society." His experience is that even when people are familiar with the new containers they still tend to throw them away.

"In 1976 we restored 137m bottles; last year it was in the region of 97m. This year it will be about 70m. Dairy manufacturers say the new bottle weighs less and they can use smaller crates. But those savings are nothing compared with the loss of bottles," he says.

In recent times milk bottles have disappeared at the rate of 400m a year. Carter claims the figure is now 465m.

The National Dairymen's Association, committed to the pintie, understandably takes a much sunnier view. Chief executive David Moxon admits that in areas where pinties are introduced the number of trips between consumer and dairy "takes a header downwards." But after a while, he claims, the figures improve as people grow accustomed to them.

"Anything new and people say 'why can't we have our old bottles back'," chides Moxon. But if I may be allowed a reactionary moment, I would like to point out that if the milk in a pintie is anything less than fresh the cream clogs the narrow neck and I find it almost impossible to take a satisfying swig through the said aperture. Moxon tells me it is the first he has heard of this problem.

Hounded Afghan

Strongly encouraged to leave Pakistan because of his idiosyncratic views might prove embarrassing to the Islamic foreign ministers discussing the Russian tour of neighbouring Afghanistan, Zia Khan Nassri has surfaced in Tehran. This self-declared Afghan leader—curiously, an American citizen—is now heading for Europe to promote the cause of his so-called Free Islamic Republic.

Stopping long enough in Tehran to air his suspicion that the military junta in Pakistan is "playing footsie" with the Russians, the 33-year-old Harvard Business School graduate and erstwhile management consultant explained that he controls a remote area 60 miles from the Pakistan border. Collection of funds is his main task. He has some support from Afghan exiles, but the money for his trip apparently emanates from an overdraft on his personal account at Citibank in New York.

Pukka package

With fingers in numerous pies already, not least as a director of Acrow, John Barber has now moved into the more pukka end of the travel trade. Together with Tony Good, an old friend from his days in the motor industry, he has bought the long-established firm Cox and Kings Holdings, of which Good is both chairman and chief executive.

Cox and Kings claims to be the world's longest-established travel organisation, which must be about right—it celebrates its 222nd anniversary this year. Cox and Kings will be remembered by many old India hands for the labels gummed on their suitcases: the company was originally set up to help move the British Army to that large, formerly red-coloured patch on the map. Its India connections remain very strong, but it has since branched out into handling travel arrangements for major international companies such as Citibank.

Other enterprises are equally blue chip. "We run package tours," says Barber, "but not to the Costa Brava, of course, to French chateaux, better hotels in the more interesting parts of France . . ."

Mid-air suspense

Overheard at Heathrow: "I had a terrible flight."

"Lot of turbulence, eh?"

"No, no, they showed a new whodunnit and the projector jammed on the third reel."

Observer

ECONOMIC VIEWPOINT

World economy at a turning point

THERE IS SOME evidence that the world economy will withstand the 1979 oil price shock a good deal better than it did the one of 1973-74. The much-predicted recession may at last have started; but even that could have a silver lining in the shape of a turnround in the inflation rate from which the UK should benefit if it responds in the right way.

The doubling of the dollar price of oil in 1979 has had about the same impact on oil payments in relation to total trade as the fourfold increase in 1973-74, which started from a lower base. The main difference is that it was not superimposed on as severe an inflation as that which occurred the last time round.

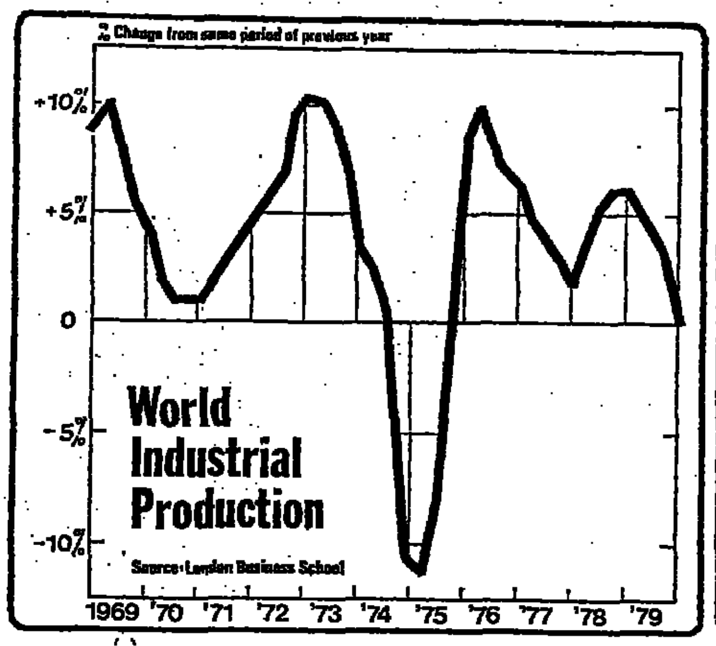
The upsurge in world industrial activity, due to the synchronisation of inflationary booms in the main developed countries which occurred in 1973-74, was not repeated on anything like the present scale in 1979. Inflationary policies are nowadays transmitted to the world economy via commodity prices; and non-oil commodity prices have risen far less than in the pre-1974 period. A good index of the extent of world "overheating" is the ratio of commodity prices to those of manufactured goods—that is "real commodity prices." The boom here has been very much smaller than the spectacular upsurge for the earlier period shown in the charts.

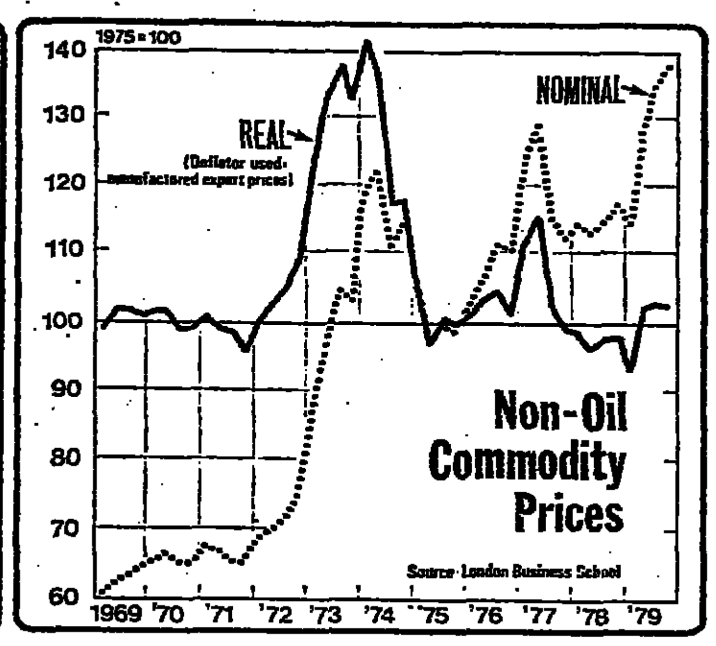
It is the acceleration in inflation which transforms a world boom into a slump. It does so both by reducing real incomes, and by stimulating savings by people and institutions wanting to rebuild the real value of their financial assets. The least unreliable guide to output and activity has been the movement of the "real money supply"—that is the increase in the money supply minus the inflation rate.

Both components of the real money supply should be under less pressure this year than in the 1975 slump. Although governments are at least as reluctant as last time round to expand their way out of the recession, they are starting from a much less excessive rate of monetary expansion. In the pre-1974 boom world money supply growth more than doubled in two years to reach a peak of over 15 per cent (London Business School estimates). By contrast it has been moderately stable around 12 to 13 per cent in recent years. Thus the turnround to nominal monetary growth should be smaller.

Secondly, the rate of increase in world prices does not look like reaching the dimensions of the last cycle, when the twelve month increase in manufacturing prices reached a 23 per cent peak. The result is that the developed world may experience something nearer to a levelling out in industrial production than to the 12 per cent drop which occurred in the middle of 1975.

This is still the world picture. In the UK, with monetary control at last biting, and retail prices more than 17 per cent higher than a year ago, the squeeze should be a good deal tighter. The effect on output might, however, be a good deal less than either popular pessimism or the Treasury economic model would lead us to suppose. The UK economy was in a heavily overheated condition for most of 1979, despite statistically high unemployment. The growth of real demand was met largely from imports, as home suppliers could not deliver—not just because the exchange rate was very high. As the economy cools off, a lot of the slack will be met by lower imports. This assumes that the element of "froth" in the exchange rate disappears, as it is likely to do as interest rates come down. A fall of 8 to 10 per cent in the effective exchange rate would take the trade weighted average from its recent peak to the level of 64-65 where it was a year ago—still high enough to put a severe squeeze on profit margins and the ability of companies to absorb large labour cost increases.





The other aspect is that UK business is reacting to the cost squeeze more by efficiency drives and attacks on overmanning rather than by resisting wage demands. The result is thus likely to be a shakeout and productivity improvement, more reminiscent of the Wilson recession of 1966-67 and the Heath recession of 1971-72, than that of the mid-70s recession which was associated with stagnant productivity.

Unfortunately the precise mix of wage increases and manning improvements is doctored more to the self-interest of trade union officials and corporate negotiators than of those who will be priced out of work. Thus although UK output may hold up in line with the more optimistic forecasts, unemployment may rise with the most pessimistic.

Worrying aspect

But to come back to the world picture. A worrying aspect is that the turn in commodity prices is behind schedule. As the chart shows, industrial production at the end of 1979 had almost stopped rising altogether. By the time that this happened in the last cycle, over five years before, commodity prices had already begun to tumble.

The precise pattern of the most recent commodity movements points heavily to attempted moves out of currencies into tangible forms of wealth and to speculative purchases prompted by the more warlike international political scene. The Economist dollar index of metals has risen by 14 per cent this January in dollar terms. Food and fibres have on the other hand been more or less level pegging. The relatively optimistic scene—or at least not quite so pessimistic—which I have been painting depends heavily on the absence of further grave political shocks.

The international transmission of inflation can be seen very clearly in UK import prices. Despite an appreciation of sterling of over 10 per cent in the course of 1979, total import prices rose by 13½ per cent. By no means all of this was oil. Industrial materials rose by nearly 11 per cent with both basic materials and semi-manufactures moving up by roughly equal amounts. The price of imported finished manufactures on the other hand showed very little increase. The acceleration of the UK inflation rate in 1979 can be accounted for almost entirely by the combination of international price increases and by fiscal changes. In the admittedly not quite representative five months since July after the impact of the Budget, the Retail Price Index has been rising at an annual rate of almost 11 per cent. This is about the EEC average and somewhat less than the U.S. inflation rate.

If fiscal action which increases prices further can be avoided, it might be possible to generate a virtual anti-inflationary cycle in the UK. Experience shows that it is extremely difficult to secure wage increases very different from the rise in the Retail Prices Index; but once the letter has turned downwards, a tight monetary and fiscal policy, reflected in a high but not absurd exchange rate, can secure quite a rapid downward momentum. The actual movement of prices and any figures set down for the Government's medium-term monetary framework would then reinforce each other in reducing inflationary expectations. Contrary to the conventional wisdom of the past, the faster inflation and expected inflation come down, the less unemployment will have to rise; and the sooner the turning point in the recession can come.

* * *

WHAT ARE the main forces of an economic kind, which could make the world outlook worse than suggested here? The most important is the large OPEC current surplus, following the oil price increases, estimated by most authorities at upwards of $100bn for 1980. This will have to have its arithmetical counterpart in correspondent deficits in the developed countries of the OECD and in the non-oil developing nations. The surpluses reflects savings of oil products, which are automatically re-lent to the rest of the world.

The real problem of the oil consumers is that of securing a smooth flow of secondary lending from the stronger countries, where the OPEC surpluses are deposited, to the weaker ones. Experience of 1974-75 suggests that the international banks should be able to accomplish this, with some political support and guarantees.

The graver problem is that oil producers may be dubious of the future real value of the Western monetary assets they receive for their fuel; and diversification into real estate or industrial assets will take time, quite apart from the political obstacles. The problem could solve itself by a shakeout in oil prices; but I would not want to count on this happening because of the political element in oil production decisions.

The Dillon Read Monitor, written by Mr. Brian Reading, has suggested how the rise in the gold price could provide an alternative preferable to oil producers than either keeping their oil in the ground or holding paper assets. In September last year, OECD gold reserves were worth over $400bn, equivalent to two-thirds of their total external reserves, and 86 per cent of the world's monetary gold; they were sufficient to finance three years' current account deficit of the whole region of 1980-plus dimensions. By contrast OPEC countries had less than a fifth of their reserves in gold and owned less than 4 per cent of official stocks. This is most unlikely to represent their permanent portfolio preference; and an exchange of gold for oil could be a profitable transaction.

It need not of course take that precise form. Countries like the U.S.—which holds a third of OECD's gold stocks—Germany, France and Italy could sell some of their official gold stocks to oil producers, which would continue to sell oil in the normal way. The transaction would also help to finance public sector deficits of the industrial countries in a non-inflationary way.

If part of the deal is a floor price for gold—and perhaps a ceiling one — set by central banks, this would not be too high a price to pay. It would not prevent more lasting monetary reform to currencies based on a wider basket of commodities. If it hastened the end of paper money convertible into nothing but itself, this itself would be a change for the better.

Samuel Brittan

Letters to the Editor

UK hotel prices

From the Deputy Chairman, British Transport Hotels

Sir,—There is much in Mr. Segal's interesting letter (January 29) to ponder carefully, not only by hoteliers but by all those who have responsibility for this enormous sector of the economy which is called tourism. And by all those I do not exclude either Whitehall or Westminster.

Let me first take up Mr. Segal's main point. He is not alone in being sometimes surprised by the hotel industry's tendency to place in the shop window its highest price and then negotiate in the back office a network of substantial discounts for groups, conferences and special business.

Nor is the British hotel trade alone internationally in doing this. Far from it. The result, however, is that at any one time the real price being paid in London by the average visitor, businessman or holiday-maker, can be under half the tariff rate. Whether on this calculation London hotel prices would still be relatively so high on the international tables could be doubtful. None the less, it seems a strange way to market a vital activity in a great international city. One of our newly modernised hotels publishes realistic tariffs and no doubt there is still room for negotiating specially attractive business but price distortion is much smaller.

But there are other factors and they must be considered against the spectacular way the UK became a leading world destination between the 1960s and the late 1970s. A cheap pound certainly played its part and those in government who perceived this were not wrong but some were incorrect in the conclusions they drew. This new massive flow of foreign exchange earnings which resulted—at a difficult period in the UK balance of payments—deserved increasing promotion of Britain overseas and ever improving visitor facilities at home, if the combination of initial good luck and changing international fashion favourable to the UK were to be exploited over the longer term.

In regard to funds for promotion I would not criticise what was given to the British Tourist Authority particularly because the amount from Government was increased so substantially by the trade itself and in this may I pay particular tribute to the efforts of Sir Charles Forte and Mr. Maxwell Joseph. But during the short and vital years of profit after the 1973-74 depression, the hotel industry was given little support to conserve cash flow in order to refurbish and develop. Indeed, it was only in 1978 that the much needed extension of building allowances for hotel premises was finally granted.

Since then, VAT has risen to 15 per cent, imposed indiscriminately on overseas and domestic visitors alike, and overdraft rates of 20 per cent or more add to the burden. But Mr. Segal is right and it is for the hotels to look urgently at their pricing policies. I hope, however, that this will be accompanied by a more realistic review in which government will take a fresh look at what tourism really means to Britain in employment as well as in earnings. Perhaps the Tourist Boards might also remember that the object is continuing and consistent profitability. Too often their siren voices urge new investment when commercial justification is doubtful and when the likely outcome could be over-capacity which, as in steel, can be ruinous.

Improvement and maintenance of stock, whether in buildings, in decor or in accompanying factors is another matter; these are the lifeblood of competitiveness and long term success.

(Sir) Alexander Glen (former chairman, British Tourist Authority).
Stanton Court, Stanton, Nr. Broadway, Worcs.

Behaviour in the markets

From Mr. J. Burford

Sir,—Mr. John Edwards—"A new breed of speculator" (January 24)—infers that speculators invariably make huge profits when prices are rising and then huge losses when they fall. Has he never heard of going short the market? Contrary to the experience in equity markets, where going short (selling) a stock is incredibly more involved than going long (buying) as an initial position, going short a commodity futures market is as simple as going long — the margin deposits are the same, the commissions are the same, and the order to the broker is the same except that the word "buy" is changed to "sell."

I would venture to suggest that in the case of gold, for example, most professional speculators lost money while gold was rising as they attempted to "pick the top," and as they saw the price rise through their selling price, they were forced to cover positions by buying back their contracts. Thus, it is not only the pressure of new buying which forces a price higher and higher, but to this is added the buying pressure of the "shorts" scrambling to cover their positions. This is often the time when prices shoot up at their greatest rate.

Mr. Edwards must not assume that because some markets are rising rapidly (e.g., gold, silver, copper) and some are falling (e.g., coffee) that the reason is simply because there is greater speculative interest in the rising markets than in the falling ones. Given the combination of fundamental and technical factors, there are ample reasons why these markets are behaving the way they are. Does Mr. Edwards believe that if some large speculators switched interest and decided to buy coffee futures that that market would suddenly turn around and behave like gold or silver? I'm sure there are many operators who would be delighted to sell them contracts!

John Burford.
Oakwood House, West Tanfield, Ripon, N. Yorkshire

The right price for energy

From the Director, National Consumer Council.

Sir, — What is the "right" price for gas? As Consumers' Association's recent report on the accounting methods of the nationalised industries makes clear, current financial figures do not necessarily tell us what the right price for gas should be in relation to current costs. Calculations of long-range marginal costs are uncertain. There is no reason to say that the price of gas should be higher just because the costs involved in providing energy from other fuels are higher. For instance, there is little point in discouraging the use of gas in order to encourage the use of more expensively produced electricity, the option which faces most domestic consumers. Models of perfect competition — gas being supplied by a number of competing small firms — have no basis in reality in any contemporary energy supply industry, public or private. If the reason for increasing the price of gas is to increase the efficiency with which resources are allocated to energy consumption, then clearly the amount of the increase is crucial. What is the justification for the apparently arbitrary increase now being made?

How can we mitigate the effect sensible decisions about the allocation of their own resources to choosing the type of fuel which gives them best value for money when the relative prices involved are arbitrarily and massively changed by Government intervention?

With such unpredictable changes, how are consumers supposed to work out how much it is worth spending on different forms of energy conservation?

How can be mitigate the effect on consumers of low incomes? Mr. Brittan says (January 24) — and he is right — that we need fuel rebates related specifically to need. The Government, however, has reduced the amount of money available for rebates for those specifically in need. I hope Mr. Brittan will now join us in pressing Government to prevent the sometimes dangerously inadequate levels of heating that are forced on many people with low incomes — notably families with young children at home, the sick and the old.

What should be done with the financial surpluses the price rises will create? There is no doubt that the already massive profits of the gas industry will be increased. One legitimate aim of higher energy prices is more efficient energy use, but while high prices may give people the incentive to make more efficient use of energy, they don't confer on them the means to do so. For people on low incomes, in particular, the reverse may be true. The higher price they have to pay for fuel may prevent them setting aside the resources they need to make what may be a considerable investment, if they are to improve the insulation of their homes or to buy more energy-efficient domestic equipment.

For these reasons we believe that the massive surpluses created by arbitrary increases in the price of fuel should be channelled into major government initiatives to improve the efficiency with which energy is used in this country. Many of the homes we already have are badly insulated. The standards of energy efficiency of our new buildings should be improved. We should be exploring the potential of combined heat and power generation. We need more energy-efficient domestic appliances. We recognise the inevitability of increases in the relative cost of energy, but if increases in energy prices are to be justified by calculations of the long-run marginal cost of more expensive supply, then the resources those increases produce should be used to reduce our dependence on that supply.

Jeremy Mitchell.
18, Queen Anne's Gate, SW1.

Costs of local services

From County Councillor J. Gouldbourn

Sir,—If inflation is to be checked, local politicians and chief officials must play leading roles; despite their obvious self interests.

Let me illustrate the extent to which we have developed non-viable services in new Lancashire (only a small part of the old), and the significance of the cost of these services. The water authority is now attempting to move to a break-even situation and is excluded from my figures.

There are approximately 500,000 family units in our county. Most families will be surprised to learn the value of the services per week which they allegedly receive, and which are termed by some politicians as the "social wage."

Each of our families is supposed to receive £24 per week, plus unemployment benefit when needed; rent and rate allowances and rebates as appropriate, and district council grants and concessions for transport etc.

This intangible salary is derived by imposing rates and taxes on the same families for the following amounts and purposes: education £200m plus or £8 per week; health £150m+ or £6 per week; and other services £250m+ or £10 per week. A stupendous £600m+ per annum, going up 10 per cent-15 per cent+ per annum, for incremental poor performance, as 75 per cent of this total is represented by wages, debt interest, car allowances and loans and pension support, all paid out without any requirement to provide extra or improved value. This fact should prove the real challenge for Treasurers, but will not until their salaries are indexed to the falling expenditure they can demonstrate.

The question every Lancashire family should ask itself is (and each other county is in the same league table), could we provide better for ourselves, with just half of this £24 we pay out each week in rates and taxes? I am sure we could all do without a great deal of pure administration, local or national, namely what I have repeatedly termed the poor performance element in the public services provided.

It is because of this poor performance, and lack of a desire to control expenditure, that we have high interest rates, and in consequence home mortgages and interest rates are such a burden to every young family and small industry, surely to reverse this is a worth while objective?

Cuts that the county councils are now planning for 1980-81, will not even check the inflationary trend, for they will leave the ridiculous expectations of life unaltered, with wages going up each year as people become older.

John Gouldbourn.
6, Queen Mary Avenue, Lytham St. Annes, Lancs.

Today's Events

GENERAL

UK: TUC sees Sir Geoffrey Howe, Chancellor of the Exchequer, Sir Keith Joseph, Industry Secretary, and Mr. James Prior, Employment Secretary, on British Steel run-down and the economy.

House of Lords Appeal Committee decides whether steel union can appeal to Law Lords against Lord Denning's judgment on private sector strike.

Sir Ian Gilmour, Lord Privy Seal, speaks at Kensington and Chelsea for Europe annual dinner, London.

Baroness Young, Education Minister, speaks at Paddington.

Mr. Geoffrey Pattie, Ministry of Defence RAF Parliamentary Under Secretary, speaks at Sussex University, Brighton.

Mr. N. Mamoussos, Athens Chamber of Commerce vice president, leads Greek trade delegation visiting Birmingham.

Timber Growers' Organisation annual meeting.

Sir Peter Gadsden, Lord Mayor of London, dines with the Plaisterers' Company at Plaisterers' Hall, EC2.

Overseas: Mr. Malcolm Fraser, Australian Prime Minister, meets President Jimmy Carter, and Mr. Cyrus Vance, U.S. Secretary of State, Washington.

PARLIAMENTARY BUSINESS

House of Commons: Debate on agriculture and pollution.

House of Lords: Petroleum Revenue Tax Bill (Money), third reading. Motion on European Communities (Definition of Treaties) Order. Short debate on metrication.

Select Committee: Agriculture. Subject: Implications of Common Agricultural Policy for milk and dairy products, Room 16, 11 am.

OFFICIAL STATISTICS

Department of Energy publishes energy trends.

COMPANY MEETINGS

Associated Engineering, Savoy Hotel, Strand, WC, 12. Thomas Borthwick, Butcher's Hall, Bartholomew Close, EC, 12. Brockhouse, Victoria Works, Hill Top, West Bromwich, 12. Matthew Brown, Trafalgar Hotel, Five Barred Gate, Salmesbury, 12. Dubilier, Winchester House, 77 London Wall, EC, 12. Keystone Investments, 30 Gresham Street, EC, 3. Proprietors of Hay's Wharf, Glaziers' Hall, Montague Close, London Bridge, SE, 12. Ronk Hovis McDougall, Royal Festival Hall, SE, 12. Scottish Investment Trust, 6 Albyn Place, Edinburgh, 11.

World currency changes affect BAT profits

PROFITS before tax of BAT Industries were down from 433m to £428m in the 12 months ended September 30, 1979, but despite substantial adverse currency movements and higher interest charges, there was a small increase in attributable profits from £219m to £220m.

Operating profit in this latest accounting period which covers 15 months to December 31, amounted to £502m (£499m) on turnover of £6.67bn compared with £6.68bn.

The currency effect is estimated to have reduced turnover by £500m, operating profit by £46m and the attributable result by £24m. The effects of currency translation are most marked in tobacco, but also depress the sterling results of retail and paper and to a lesser extent, printing and packaging.

To maintain the rights of both ordinary and deferred ordinary shareholders, a third interim dividend together with a special interim payment have been declared, in lieu of a final dividend, for the 15 month period.

The third interim dividend amounts to 6.5p and with a special interim of 5p makes a total of 22.34p — last year's total of 14.52p included a second interim of 5p and a 5.12p final payment.

Commenting on the results, Mr. Peter Macadam, chairman, says that as he made clear in his interim report, 1978-79 was not expected to show outstanding growth. However it was a year of solid achievement with turnover and profit improvements in all areas, despite a depressed world economic climate and difficult trading conditions.

Areas of improvement included a rise in tobacco sales volume worldwide and growing profits in trading by BAT stores in the UK as well as continued growth for Wiggins Teape, particularly in Western Europe.

In the U.S., there was a substantial advance in retailing results while the group benefited from a full year's contribution and higher earnings from Appleton Papers. Worldwide printing and packaging made excellent progress.

	12 months 1979 £m	1978 £m
Turnover:		
Tobacco	3,975	4,474
Retail	1,559	1,412
Paper	661	497
Printing & packaging	176	153
Other activities	301	140
Total turnover	6,672	6,676
Trading profit	446	438
Investment income	56	61
Operating profit:		
Tobacco	316	350
Retail	34	24
Paper	81	49
Printing & packaging	14	12
Other activities	57	64
Total	502	499
Interest paid	74	66
Profit before tax	428	433
Tax	184	189
Profit	244	244
Minority interest	24	25
Attributable	220	219

On the outlook for the last three months to December, the chairman says that tobacco product sales volume in the quarter was running slightly ahead of that of a year earlier and operating profit was being maintained despite the squeeze on margins through the continuing rise in costs.

Retailing in the U.S. had a better Christmas season than in 1978 and paper and printing and packaging maintained in most areas the levels of performance achieved in the first nine months of 1979 although there has been some patchiness in the UK.

Overall, it is expected that operating profit in the last quarter of 1979 will at least match that of the last quarter of 1978.

Over the past 12 months, sales volume of tobacco in the U.S., fell slightly although export volume continued to grow. Germany showed a small increase although profits were under pressure while in the rest of Europe, profits showed a small increase.

UK tobacco results suffered from the high costs of securing market share although a firm foothold has now been established, the chairman says.

In Latin and Central America, the majority of companies achieved improved results. Substantial increases in Asia made an important contribution while in Africa, improved margins led to a satisfactory profit rise.

On the retailing side, Saks in the U.S. continued its highly successful performance, Gimbels had a better year and Kohl's food store volume was maintained. International Stores in the UK improved trading profit without yet fully benefiting from the MacMarkets acquisition.

Total sales volume of the UK paper-making businesses showed general improvement but both U.S. and Brazilian results were particularly affected by exchange factors. There were substantial increases in Europe, particularly in Belgium.

Mardon Packaging International in which BAT bought Imperial Group's 50 per cent share for £88m last November, increased its turnover and operating profit. The UK and European operations again improved their results.

The turnover increase of other activities is largely due to the inclusion of the Pegulan home improvements business in Germany. Of the £57m operating profit, Pegulan contributed £10m and cosmetics £6m, the latter reflecting a continuing improvement.

See Lex

Asda ahead after boost from Allied Retailers

THE INCLUSION of Allied Retailers has boosted the results of the Associated Dairies Group for the first half of the current year and pre-tax profits amounted to £22.54m against £15.09m in the same period last year.

Results include 26 weeks to October 27, 1979 for Associated Dairies and 28 weeks to November 10 for Allied and Wades Departmental Stores—comparisons include 26 weeks for Associated Dairies and Wades only.

Mr. A. N. Stockdale, the group's chairman, says trading in all divisions continues at a satisfactory level and the group looks forward to a record year.

The contribution of Allied Retailers to first half turnover of £448.1m and £22.1m trading profit was £52.5m and £3.98m respectively. Associated Dairies contribution was £384.74m and £17.65m and Wades Stores, £10.84m and £459,000.

In the corresponding six months, turnover of Allied Retailers was £42.79m and trading profit was £2.7m.

Stated earnings per share are 5.99p against 4.33p and the directors are declaring an interim dividend of 2p per share—the interim dividend in 1978-79 was equal to 0.47p for Associated Dairies only and was followed by an equivalent 2.87p from pre-tax profits of £41.01m.

First half tax charge is £11.72m (£7.85m) leaving net profits at £10.82m compared with £7.24m.

See Lex

HIGHLIGHTS

Associated Dairies hit most market estimates yesterday with a rise in pre-tax profits from £15.1m to £22.5m and Lex discusses the food retailing sector in the context of a renewed round of competition. BAT Industries, announcing profits of £428m, was generally regarded as disappointing. The column also discusses the Swiss Bank's debut in the floating rate note market. Elsewhere, the issue of 500,000 shares in the Child Health Research Investment Trust is analysed ahead of the opening next Tuesday, as is a preference stock issue by The Rickmansworth and Uxbridge Water Valley Company. Ceramics Investments has increased its stake in Armitage Shanks and the Board of Bernard Wardle advises shareholders to take no immediate action on the offer from Birmingham and Midland Counties Trust.

British Land set to pay dividend

BY ANDREW TAYLOR

SHAREHOLDERS of British Land, the UK-based property group, are poised to receive their first dividend payment for more than six years.

The company said yesterday that the economic climate was likely to preclude a major distribution but it intended to recomend a final dividend of not less than 0.25p net for the year ending Marh 31, 1980.

In the first six months of the year, British Land pre-tax profits rose from £255,000 to £973,000.

The last dividend paid by the group was in 1973-74 at the time of the property market collapse. Since then, pre-tax profits of £3.8m in 1973 had slipped to a £6.6m loss in 1975. But British Land has staged a recovery and pre-tax profits in 1978-79 rose to £3.3m.

The improvement reflects the impact of a major property disposal programme which has substantially reduced group debts. Also, commercial property rents and values have recovered while new developments have come on stream and are producing income.

The impact of property disposals has been to reduce further interest charges in the first six months which are £1.3m lower at £5.6m.

Earnings before interest are also down—from £7.1m to £6.6m—reflecting the impact of property sales. These have reduced gross borrowings from £122m in the last balance sheet to £73m at the half year.

On top of a further package of property disposals, the group sold the Dorothy Perkins retailing business, realising a surplus over cost of £9.8m. It also disposed of a 75 per cent interest in its Australian property portfolio.

British Land says it has now built up "substantial cash resources" to support future development but may be "poised to raise further funds." It ruled out a rights issue saying any new finance would most likely come from further borrowing, depending upon prevailing interest rates.

The group was cautious about immediate prospects for new development. Mr. John Ritblat, chairman said: "The group has substantial developments ready to proceed but is concerned by current difficulties in accurately forecasting the time scale and extent of each potential commitment, in view of the rapid escalation of building costs and the lack of long term funding at acceptable interest rates."

Plantation House in the City of London, where refurbishment is now largely completed and where the London Metal Exchange is to move shortly, remains the jewel in British Land's property portfolio. The group said that revenue from the building had now risen by over £600,000 on an annualised basis but the bulk of the benefit of this has still to be shown in the accounts.

● comment

British Land's forecast of a final dividend for 1979-80, the first payout for six years, is a milestone but is certainly no bonanza: a net dividend of 0.25p a share would put the shares on a yield of just 0.5 per cent at 70p. It is hard to make very much sense of the revenue account, except that both the income and interest figures show the impact of the disposal of property assets and the sale of Dorothy Perkins to Burton Group, and that overall there is some improvement net of interest despite the sharp rise in money rates. Debt, net of cash, has continued to fall, dropping from around £120m in March to £73m by September. This leaves the group with a thoroughly healthy balance sheet, and the shares are trading at a discount of probably well over 40 per cent to net worth. But British Land still has to unveil the "substantial developments" which it says are being held up by high funding costs.

Stewart Plastics doubles interim

AN INCREASE of over 13 per cent in pre-tax profits and a doubled interim dividend are announced by Stewart Plastics for the six months to end-October 1979.

Boosted by a rise in interest receivable from £92,677 to £261,515, taxable profits for the period improved to £1,057,762, against £929,588 last time.

The net interim dividend is effectively lifted from 0.51016p to 1.0204p per 25p share—last year's total was an equivalent 2.49328p, adjusted for the three-for-two scrip issue, on record £2.1m profits.

The company, which makes plastic articles for domestic, horticultural and industrial purposes, has maintained its prices for the past nine months, but is increasing them in February because of rises in manufacturing costs, especially raw materials.

Turnover for the six months was ahead from £3.57m to £4.25m. Profits were struck before a tax charge of £437,100 (£479,788) and an extraordinary credit of £75,097 last time.

Against this background, he felt it unwise to make a profit forecast for the current year but assured holders that every effort would be made to overcome problems arising from reduced volumes and to maximise profit prospects.

In the year to June 30, 1979 the group recovered slightly to £877,000, after a slump from £1,430,000 to £743,000 in the previous 12 months.

recent investments, and could not offset entirely the higher depreciation and interest costs incurred by the investments.

Tax for the six months took £90,000 compared with £98,500, leaving the net profit at £85,000 (£90,500).

The interim dividend is unchanged at 0.55p net per 25p share—last year's total payment was 6p.

Sommerville sees poor second half

GIVEN that demand for the company's products was strong, the directors of William Sommerville and Son, paper maker, say that results for the half year ended November 30, 1979, are disappointing.

On turnover of £2.93m, against £2.74m taxable profits slipped £14,000 to £175,000.

The signs of weakness, since November, in the company's section of the market, have developed into a recession, they add and, due to a lack of orders, production has had to be reduced for the first time since March, 1976.

This, combined with large cost increases, which Sommerville has been unable to recoup because of slack demand, make prospects for the second half poor, the directors state.

Profits for the whole of 1978-1979 were down slightly from £314,005 to £306,445.

Due to breakdowns, in the first half, the company's Mill was unable to obtain full benefit from

Downward trend at Oceana

A DROP in pre-tax profits from £49,321 to £35,990 is reported by the Oceana Consolidated Company, investment trust, for the six months to September 30, 1979. There was a tax charge of £11,687 against £15,364.

Stated earnings per 25p share are given as 1.16p against 1.61p.

All figures are restated to take in dividends paid, rather than accrued, during the year.

The Board states that the reduction in profits is entirely due to a lower level of dealing activity, which produced an exceptional profit of £24,000 in the previous year. Investment income has continued to rise.

In the absence of a sustained improvement in market conditions, the Board states this trend will be repeated in the second half.

As the company's dividend policy reflects the level of investment income, excluding dealing profits, such a result would not adversely affect the recommended dividend. Last year's single payment was 1p net.

Improvement in margins enables Allied Textile to hold profits

IN OPTING for a trading policy directed towards quality and profitability, rather than the pursuit of manufacturing activity at depressed selling prices, Allied Textile Companies managed to increase its profit margin from 7.96 per cent to 9.59 per cent in the year to September 30, 1979, thus achieving maintained pre-tax profits of £3.25m against £3.23m, despite a decline in turnover from £34.4m to £30.63m.

At the trading level, profits moved ahead from £2.74m to £2.94m, and the pre-tax figure was struck after the inclusion of exceptional income of £314,593 (£487,954), arising on disposal of fixed assets.

The release of funds during recent years by the curtailment of unrewarding activities has eliminated bank borrowings to finance trading and capital assets. In consequence the group has been at a considerable advantage in a period of high interest rates.

The directors say that the carefully accumulated resources will help alleviate some of the worst effects of the deepening recession and ensure that the group is able to continue reshaping its activities as may be necessary to remain ahead of events and also take full advantage of such opportunities for expansion as may be found.

Earnings per 25p share, at 25.5p (22.4p), have risen for the fifth consecutive year and with a final payment of 4.42175p net the dividend total is effectively raised from 6.0347915p to 7.24175p.

After several years of improvement in the volume and proportion of export sales, the year brought a check to this trend due to the combined effects of disturbed conditions in the Middle East, a world-wide downturn in demand and the strength of sterling.

Efforts are continually being made by the directors to establish new overseas outlets. This, they say, must remain an essential part of their plans, for there is no indication of any fall off in the flood of imports of textiles and clothing into the home market.

The balance sheet shows that the total amount of cash and cash equivalent exceeds last year's figure, despite the repayment of a £0.5m loan and additional finance for stock and debtors amounting to over £1m. Net current assets at September 30 totalled £9.4m (£7.6m).

	1978-79 £	1977-78 £
Turnover	30,626,012	34,402,486
Trading profit	2,936,069	2,739,694
Exceptnl. income	314,593	487,954
Pre-tax profit	3,250,662	3,227,648
Tax	1,340,000	1,550,000
Net profit	1,910,662	1,677,648
Extraord. debit	*373,102	115,501
Available	1,537,560	1,562,147
Dividends	542,587	452,266
Retained	994,973	1,109,881

* Cost of rationalisation plans approved since last year's report and includes the cost of schemes to be completed in the current year.

● comment

ATC is one of the brighter stars in the ravaged textile sector. In spite of the difficult trading conditions, earnings increased for the fifth successive year. The results, which were up to best expectations, contain two impressive features. Firstly, by cutting out the less profitable operations, margins widened at a time when sales were hit by the loss of the important Iranian market. And secondly, even after spending £1m on new plant, repaying a £0.5m loan and funding a £1m rise in working capital the cash position improved. Against this, the £300,000 cost of reorganisation and mill closures has been taken below the line. The net effect on the share price was a 1½p rise to 89p, where the fully-tax p/e is 4.1 and the yield 12.2 per cent. This looks to be a fair rating given that the textile sector is still flat on its back and the company will have to run hard to maintain profitability this year.

Gleeson looks to consolidate

SPEAKING at the company's AGM. Mr. J. P. Gleeson, chairman, told members of M. J. Gleeson (Contractors) that the present period of a downturn in prospects would be used as one of consolidation so that the group would be ready to take full advantage of any recovery when it came. He hoped that this would be in 1981.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Textile		4.42	April 3	3.68*	7.24	6.03*
Associated Dairies	int.	2	March 11	0.47*‡	—	3.3*
BAT	3rd int.	6.5§	April 1	—	22.34§	14.5
Daejan Hldgs.¶	int.	1.23	March 28	1.17	—	3.25
Gold Mines Kalg.‖	int.	5	March 15	—	—	3
Manson Fin. Tst.	int.	1.5	March 7	1.13*	—	2.63*
F. Pratt Eng.		3.8	—	3.53	6	5.37
Wm. Sommerville	int.	0.55	—	0.55	—	6
Stewart Plastics	int.	1.02	March 3	0.51*	—	2.49*
Syltone	int.	1.8	March 28	1.56	—	7

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ In respect of Associated Dairies only. § For 15 months to December 31, 1979. Special interim of 5p also declared. ¶ Interim results will be published on February 21, 1980. ‖ Australian cents throughout.

Maddock loss of £0.7m after bad year in UK

A SHARP acceleration in losses during the second half left Maddock, the earthenware manufacturing group, with losses of £687,629 before tax for the year to June 30, 1979.

This compares with taxable profits of £247,649 the previous year and follows a turnaround in the first half from profits of £82,735 to losses of £126,936.

The group's U.S. interests, which made a pre-tax profit of £164,657 over the year, have now been sold to a subsidiary of Newman Industries for a total of £1,691,936. Maddock has so far received £933,050 in cash from Newman for the companies. The U.S. operation represented over half of Maddock's 1979 turnover of £10.2m. Sales totalled £7.05m in the previous year.

The chairman, Mr. Leonard Pearl, says in his statement that the UK ceramics industry has suffered from its worst ever recession, a strong pound and falling overseas demand, all of which has had a serious effect on the two domestic divisions, particularly in the final quarter.

The group has felt it appropriate to write down the stock value of these companies, John Maddock and Royal Stafford, by a total of around £250,000. Maddock had also shown exchange losses of £75,000 which, together with the write-off of goodwill and a tax charge of £55,165, increased losses to £910,885. Dividends for 1979 are being omitted.

Maddock is also proposing a capital reconstruction by which every four existing shares of 5p will be consolidated into one new 20p share.

DIRECTOR SELLS GREYCOAT SHARES

Mr. Geoffrey Wilson, a director of Greycoat Estates, has sold 350,000 shares (4.43 per cent) to meet a personal tax liability. The shares were placed with a small number of institutions by Rowe and Pitman.

ISSUE NEWS

Split level investment trust launched by GT Management

A NEW split level investment trust, which has been structured to give its income to charity and the benefits of any capital appreciation to shareholders, is being offered to the public next month.

The issue is for 500,000 ordinary £1 shares at a price of £1 payable in full and the offer opens on February 10. The managers are GT Management which already looks after a number of unit trusts and investment trusts. Minimum subscription is £100.

The capital structure of the new trust has been designed so that the trustees of the Child Health Research Appeal Trust, a registered charity, will receive all net income from the capital invested. The trustees will subscribe at par for £200,000 of Loan Notes giving the investment trust a total capitalisation of £700,000.

The holders of the ordinary shares, meanwhile, will be entitled to the full benefit of any capital appreciation.

Another unusual feature is that the life of the trust will be limited to seven years while shareholders will be given an annual opportunity to consider winding it up. GT thinks that this should help to reduce a possible market discount on assets—at the moment the average investment trust discount is around 30 per cent.

GT emphasises that the investment policy will be "even handed" as between the ordinary shareholders and the Loan Noteholders. The estimated initial gross yield, after expenses and interest, will be 5 or 6 per cent.

Initially 50 to 60 per cent of the funds will be invested in UK equities with the balance being held in UK gilts or sterling deposits to match foreign currency borrowings used to purchase overseas stocks.

The Child Health Research Appeal Trust was established in 1976 as a registered charity. It receives and administers money raised to finance research into child health and diseases of children at The Institute of Child Health and The Hospitals for Sick Children.

● comment

Child Health Research Investment Trust is the second small trust to be launched so far this year. But like its predecessor Keep, which appears to have a special following, Child Health Research is no run-of-the-mill investment vehicle. Split capital trusts have not been popular since the days when capital growth was firmly in vogue and this time the spoils are being divided between shareholders and charity. The financial attractions to the charity are obvious—an income from £700,000 for a mere £200,000 outlay. Ordinary shareholders will get the benefit of 40 per cent capital gearing but, assuming they last the course, will forgo income for seven years. The scheme is most likely to appeal to warmhearted high-rate taxpayers not particularly interested in yield. The rewards should nevertheless be worth having for GT has a good record with its unit and investment trusts.

Rickmansworth & Uxbridge

The prospectus is published today in connection with the offer for sale by tender of £3m 9 per cent Redeemable Preference Stock 1985 by Rickmansworth and Uxbridge Valley Water Co.

The minimum price of the issue will be £98 per cent, redeemable at par on February 28, 1985.

Tenders for a minimum of £100 stock have to be made before February 6 with a deposit of £10 per cent on application.

The first dividend will be £5.365 per cent payable on October 1, 1980. Thereafter, they will be paid half yearly on April 1 and October 1.

Brokers and underwriters to the issue are Seymour, Pierce and Co.

● comment

Market conditions in recent months have not been favourable for raising cash and stock issues from water companies have failed to attract many applications. Of the most recent issues, two have flopped while the £2m Bournemouth and £6.5m Felixstowe issues were oversubscribed by only small margins. This inevitably raises a question mark over the latest issue from Rickmansworth, where the terms are less generous than Felixstowe and on a par with Bournemouth. In addition, market conditions have shown little improvement and Rickmansworth's yields at the minimum price — 13.11 per cent flat and 13.42 per cent to redemption — are slightly less than current Government stocks with a similar term. As usual, however, the important factor will be the state of the fixed interest market over the next week. For those able to take advantage of franked income the yield of 19.13 per cent could look tempting.

S. RHODESIA 5% STOCK

The Bank of England says that since no funds have been received since September 1965 for the servicing of Government of Southern Rhodesia 5 per cent Stock 1975-80, no redemption request forms will be issued for the time being. The stock is due to be redeemed on March 15.

The Rhodesian Ministry of Finance, however, stated earlier this month that "the importance of meeting debt service and arrears of capital redemption and interest is fully accepted."

BERKELEY EXPL.

Berkeley Exploration and Production, the group formed in September 1979 to harness the oil exploration activities of KCA International, is to receive its flotation next week.

Arrangements have been made for dealings in BEP's shares under Rule 163 (3) of the Stock Exchange, which relates solely to new mineral exploration companies not in a position to obtain a full listing.

The issuing house is Charterhouse Japhet; brokers to the issue are Carr Sebag.

SPAIN

January 30	Price %	+ or −
Banco Bilbao	203	
Banco Central	224	
Banco Exterior	211	
Banco Hispano	208	−2
Banco Ind. Cat.	135	
Banco Madrid	175	
Banco Santander	244	
Banco Urquijo	157	
Banco Vizcaya	215	
Banco Zaragoza	200	
Dragados	105	+3
Espanola Zinc	62	+1
Fecsa	56	−0.7
Gal Preciados	36	+1
Hidrola	62.2	−0.5
Iberduero	60.2	−0.8
Petroleos	115.5	−0.5
Petroliber	73	
Sogefisa	115	
Telefonica	56.2	−0.3
Union Elect.	62.2	−4.0

Manson Finance Trust

Interim Statement 1979

	Six months ended 31.10.79 £'000	Six months ended 31.10.78 £'000	Year ended 30.4.79 £'000
Group Revenue	1,868	1,256	2,781
Net profit before Tax	427	316	662
Profit after Tax	205	152	330
Retained Surplus	62	45	82
Earnings per share	2.2p	1.6p	3.3p

MFT

The Board have declared an Interim Dividend of 1.50 pence per share net (2.143 pence gross) absorbing £142,000. Dividend maintained on capital increased by recent one-for-three bonus issue. Chairman confident that out-turn for the year will be favourable.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB. Telephone: 01-621 1917

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	73	Airsprung Ord.	73	—	6.7	9.2	4.3†
50*	38	Armitage and Rhodes	38	−1	3.8	10.0	2.5†
228	185	Bardon Hill	223	+1	12.8	6.1	6.7†
100	85	CCC 10.7% Pref.	87	—	15.3	17.6	—
101	63	Deborah Ord.	80	—	5.0	5.6	9.9
353	140	Deborah 17½% CULS	350	—	17.5	5.0	—
94	88	Frank Horsell	94	—	7.9	8.4	5.8
129	100	Frederick Parker	103	—	12.8	11.9	8.4†
156	105	George Blair	106	—	16.5	15.6	—†
82	45	Jackson Group	60	−1	5.2	8.7	3.5†
153	115	James Burrough	115	—	7.2	6.3	10.1
300	242	Robert Jenkins	250	—	31.3	12.5	8.0†
232	175	Torday Limited	223	—	14.3	6.4	5.8†
34	18¾	Twinlock Ord.	22½	—	0.8	2.9	5.5†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	56	—	2.6	4.7	11.7
64	42	Walter Alexander	82	—	4.4	5.3	5.4
190	136	W. S. Yeates	185	—	11.5	8.2	7.2

† Accounts prepared under provisions of SSAP 15.

Syltone advances midway and increases dividend

AN INCREASE in taxable profits from £701,000 to £820,000 is reported by Syltone, the engineering, pipe system supply and wholesale electrical distribution group, for the half year to September 30, 1979.

For the last full year, when the chairman remarked that appalling weather in the first months coupled with industrial unrest could hardly have made operating conditions more difficult, profits rose some 37 per cent to £1.43m.

The interim dividend is stepped up from 1.5633p to 1.8p —last year's final was 5.4367p.

Turnover for the six months rose from £5.83m to £8.68m. There is a tax charge of £385,000 (£281,000).

All divisions operated according to budget, and the chairman, Mr. John Clegg, says he looks on this achievement with quiet satisfaction, bearing in mind the effect of the engineering dispute.

But he points out that interest charges—up from £28,000 to £111,000—are taking a higher proportion of trading profits than for some time. He expects this, and the reduced effects of stock relief on the tax charge, to be evident in the full year's results.

● comment

The 17 per cent rise in pre-tax profits puts Syltone on the right side of inflation which is particularly creditable in view of its exposure to the engineering workers' strike at the end of the period. Group trading margins were maintained at 10.7 per cent, with improved profitability on pipe supplies offsetting tight margins on electrical wholesaling. Syntone makes synthetic saling. Syltone makes synthetic benefit from feedstock-based price rises. The increased interest charge reflects not only higher rates but also the lapsing of last year's relief grant. Borrowings are still around the £1m level. The company's own steel stocks are good, but it fears that the second half may be hit by general economic disruption arising from the current strike and the continued strength of sterling restricts the possibility of any more than a nominal return from U.S. operations. Full-year group profits are likely to be higher than last, but with growth slowing in the second half. The historic p/e is 6 at 204p, on an historic yield of 5 per cent.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: City of London Brewery and Investment Trust, Garford-Lilley, Hambro Trust, Longton Industrial, Louis Newmark, Reardon Smith Line, Stodderd (Holdings), Textured Jersey, Warren Plantations.

Finals: Blundell-Permoglaze, Hill and Smith, Lonsdale Universal, Ruo Estates.

FUTURE DATES

Interims—	
Kursaal	Feb. 18
M.L. Holdings	†Feb. 7
Smith Bros.	Feb. 6
Finals—	
General Consolidated Inv. Tst.	Feb. 13
Hirst and Mallinson	Feb. 8
St. Andrew Trust	Feb. 21
Yeoman Investment Trust	Feb. 13

† Corrected.

Manson Fin. up 38% and confident

AN INCREASE of 38 per cent lifted pre-tax profits of Manson Finance Trust from £316,000 to £427,000 in the six months to October 31, 1979.

The decision last year to accept increased overheads in order to take on more business and execute it more efficiently, has been fully justified, states the joint chairman, Mr. E. E. Goldie. He sees no reason why the company should not continue to enjoy the current high demand for its services, and adds that he is confident the out-turn for the year will be favourable.

An interim dividend of 1.5p compares with last year's equivalent 1.125p after a one-for-three scrip issue. A total of 2.635p was paid for 1978-79 on full-year profits of £683,000.

The six months' surplus is subject to tax of £222,000 (£164,000) and after the £142,000 (£107,000) absorbed by the dividend, £62,000 is retained, against £45,000. Stated earnings per 20p share are 2.2p (1.6p).

Turnover in the half year improved from £1.26m to £1.87m.

Pratt Engineering shows some improvement in second half

IN SPITE of industrial unrest and high interest charges, pre-tax profits of F. Pratt Engineering Corporation picked up in the second half but for the full year to October 31, 1979, they were down from £952,000 to £836,000.

There was a tax credit of £278,000 against a charge of £234,000. After allowing for losses of £143,000 (£926,000) on discontinued businesses, profit available was £963,000 against a loss last time of £208,000.

At the halfway stage, pre-tax profits were £388,000 (£552,000) from turnover of £8.98m (£8.07m).

Mr. A. M. G. Galliers-Pratt, the chairman, says orders received exceeded sales by £3.9m to produce a record order book of £10.7m at the end of the year.

And this good order book should form the basis for a satisfactory year ahead, he says, but confidence can only be expressed in those areas which are within the group's control. The combined adverse effect of continued inflation, high interest rates and the current damaging steel strike cannot be predicted with any degree of certainty.

A final dividend of 3.8p (3.5344p) per 25p share is recommended, making a total of 6p against 5.3735p.

Group reserves have been increased by £3.76m for the surplus on revaluation of principal properties.

● comment

F. Pratt was down 29 per cent pre-tax at the interim stage so there is some encouragement to be drawn from an overall shortfall of just 12 per cent. The second half upturn was achieved in the face of higher interest rates—43 per cent higher in the year as a whole—and the effects of the engineering dispute. There is admittedly some disappointment in the way that the structural steel closure costs have somehow spilled over into the year's below-the-line charge but an historic yield of 14.7 per cent at 62p, up 10p, is possibly taking an unduly pessimistic view of the group's future dividend paying capacity. The record order book of £10.7m, is after all, a guarantee of five to six months' production and there is as yet no undue strain on steel stocks. Disruption in, for example, the automotive sector, could quickly puncture any short-term buoyancy but there is no immediate reason to suggest that yesterday's re-rating was misplaced. Pratt calculates that profits were depressed by some £200,000 solely through external strikes and on the assumption that this year starts from an historic base of £1m pre-tax, the p/e of 6.5 is by no means over-expectant.

Sentry premiums over £10m

CONTINUED progress during 1979 is reported by Sentry Motor Insurance Company, UK subsidiary of the U.S. Sentry Insurance Group based in Wisconsin. Although market conditions were difficult, the company improved its premium income by 60 per cent to £10.1m, while the number of motorists insured with the company increased by over half to 68,000.

The company was a pioneer in the non-standard motor insurance market through the Cloverleaf motor policies, which were launched 10 years ago. It entered the standard motor insurance market about five years ago under its own name.

Mr. Roy Hurley, general manager of Sentry Motor, stated that the company had continued to maintain its market leadership in non-standard motor insurance.

He also reported that the company planned to increase its penetration into the standard market this year and extend its product range.

The combined loss ratio last year was 61 per cent, a figure that Mr. Hurley regarded as satisfactory and was achieved by a realistic pricing policy and careful underwriting. Increased efficiency by the staff was containing costs.

The company is lifting its motor insurance premiums on February 1 by an average of 12½ per cent for both Sentry and Cloverleaf policies. Premiums on Sentry policies were last revised on June 1 by an average of 12 per cent, while Cloverleaf contracts had a rate increase on October 1. There were no other increases made last year.

Mr. Steinberg rebuffed by Standard board

Standard Fireworks has rebuffed the attempt of Mr. Leonard Steinberg, chairman of the Liverpool-based Stanley Racing group, to gain a seat on the Board, following Stanley's acquisition of a quarter of the shares.

The Standard Board made its decision at a Board meeting yesterday. No immediate comment was available from Mr. Steinberg, who controls Stanley with his brother Gerald, but the matter is due to be discussed at Stanley's next Board meeting.

Stanley runs a chain of betting shops in the north of England and Northern Ireland, amusement arcades, and a casino in Stockport. It bought 21.6 per cent of Standard, one of Britain's largest fireworks companies, through L. Stanley of Belfast, where the group used to be based, earlier this month.

NATIONWIDE LEISURE

Nationwide Leisure, the caravan concern, has been notified by Rantlodge, a private leisure group believed to have Swiss backing, of an EGM to remove the existing directors and appoint Rantlodge's own nominees.

This follows the failure of the Nationwide directors to comply with Rantlodge's request to resign on January 11, the closing date of the offer at which time Rantlodge held 60.69 per cent of the Nationwide equity.

Rantlodge said yesterday that it "continued to seek to agree with the directors of Nationwide satisfactory terms for the termination of their employment."

Mitchell Cotts S. Africa expansion move

The shares of Mitchell Cotts, the South African subsidiary of Mitchell Cotts Group, have been suspended on the Johannesburg Stock Exchange because the company is negotiating a "major acquisition." The outcome of the negotiations will not be known for around two weeks and the group was unable to comment on the nature of the purchase yesterday.

The company is 77 per cent owned by the UK parent and is engaged in transportation, construction and engineering. The shares closed on Tuesday night at 240 cents (130p), giving the company a market capitalisation of R34.7m (£18.8m).

In his annual statement the group chairman, Mr. Phillip Dunkley, said "in response to an initiative from our South African board, we have agreed to a policy of expansion by way of acquisition.

Lombard North Central declines to £26.4m

PRE-TAX profits of Lombard North Central, part of the National Westminster Bank group, were down from £27.47m to £26.39m for the year ended September 30, 1979.

The directors say that in view of the uncertainty of the economic situation and prospective interest rate levels, no forecast of current year results are possible.

	1978-79 £000	1977-78 £000
Pre-tax profit	26,394	27,474
Tax	76,938	17,741
Net profit	103,332	45,215
Minorities	484	556
Pref. dividends	96	96
Extraord. debit	—	252
Attributable	102,752	44,311
To spec. reserve	89,800	31,300
Ord. dividend	8,500	4,500
To reserves	8,352	8,511

Tax receivable, less deferred charge not required, amounted to £76.94m (£17.74m) lifting the net surplus to £103.33m against £45.22m.

Lombard has changed its accounting policy for leasing, resulting in an increase in the year's profit of £8.61m (£7.77m) —some £3.3m is estimated to relate to the first half—and reserves have been credited with £6.52m after tax as a prior year adjustment.

Deferred tax not required for the year—the company has applied SSAP15—came to £89.9m (£31.3m), which has been transferred to a special reserve.

At the year end reserves rose by £89.61m to £229.7m.

Vantage Securities dividend up

As indicated last July, the director of Vantage Securities are recommending an increased final dividend for 1979 to lift the year's total from 0.65p to 0.9p per share—the final is raised from 0.45p to 0.65p.

Turnover improved from £44,541 to £55,017 and pre-tax profits were £40,699 compared with £30,957.

Tax takes £9,288 (£8,991) giving earnings per share of 1.05p against 0.73p.

Downturn at Massey Ferguson

Pre-tax profits of Massey-Ferguson Holdings, wholly-owned subsidiary of Massey-Ferguson (Canada), agricultural machinery concern, slumped by £4.56m to £3.36m for the year ended October 31, 1979, on turnover little changed at £529.2m against £528.4m.

Tax took £316,000 compared with £206,000.

There were extraordinary debits of £10.02m (£8.6m) including provision for costs arising from the rationalisation of combine facilities within the UK, non-recurring costs from the sale of the Perkins plant in Canton, U.S., and the disposal of the Massey-Ferguson construction machinery facilities in Hanover, Germany.

Loss per share is given as 87.2p (10.8p).

BIDS AND DEALS

Lebanese raise Armitage stake

THE MYSTERY Lebanese shareholder in Armitage Shanks, the UK sanitary ware company for which Blue Circle Industries has made a bid, has pushed up its stake to 25 per cent and plans to say more next week about its attitude to the offer and its own identity.

So far, the Lebanese have been chary about saying who they are for political reasons. But they firmly believe that Blue Circle's offer undervalues Armitage, in which they have been building up their stake through Ceramics Investments BV, a Dutch offshoot of their Panamanian company.

Ceramics' latest purchases of a further 1.5 per cent consisted of two blocks of 250,000 shares each at 93p and 96½p respectively. With Blue Circle's share price gaining 4p yesterday to 292p, its bid, for which there is a semi-cash alternative, is now worth over £30m, or 97p per Armitage share.

Ceramics has not been buying in the market because of the latest rise in Blue Circle's share price, said Mr. Keith Hamer, a director of MEA Investment Company, Ceramics' adviser in London.

The acquisition of further Armitage shares would depend on price movements in the market, he added. The Lebanese trading and industrial interests behind Ceramics have seen the formal offer document, but feel that it does not really bear out the immediate and long-term prospects for Armitage, whose Board is in favour of the bid.

The Armitage share price added 2p yesterday to close at 98p. The shares of both Armitage and Blue Circle benefited from the statements in the offer document. Blue Circle said higher UK cement prices would help its UK operations, with overseas activities likely to show further growth, while Armitage said 1979-80 results should be satisfactory.

REO STAKIS BUYS TWO CASINOS

The Glasgow-based Reo Stakis Organisation is extending its interests in provincial gaming by buying two casinos from Doloswella Holdings for £500,000 cash, with a further sum of up to £200,000 payable, depending on results in the first year under Stakis control.

The move by Stakis, in which Scottish and Newcastle Breweries has a stake of 8.4 per cent, will bring its casino total up to 12, with seven in Scotland and five in England. The Stakis family owns between 40 and 50 per cent of the company's shares.

Stakis's purchase of the two operations—the Zambesi Casino in Stoke-on-Trent, and the Monaco Casino in Bristol—will take effect from February 25. Mr. Frank O'Callaghan, a Stakis director, said the group had been approached by Doloswella over the deal.

PORTALS PAYS £0.9M FOR WRIGHT CHEMICAL

Portals, the security printing, engineering and water treatment group, has agreed to pay $2.22m (£0.9m) for the Wright Chemical Corporation of Chicago, U.S., a maker of speciality chemicals for water treatment.

This acquisition — conditional upon approval of Wright holders at a meeting on February 19—represents Portals first investment in this field in the U.S.

Portals group profit for 1978 increased from £9.05m to £9.97m of which the water treatment and engineering division contributed £4.31m (£3.29m). The U.S. contribution to the group profit was £0.64m (£0.71m).

JAMES FINLAY U.S. ACQUISITION

James Finlay International Inc., a wholly owned U.S. subsidiary of James Finlay and Co., has acquired a 43 per cent stake in Investment Advisers Inc.

For the year 1979 the total of funds under management by investment advisers was over $200m.

Narby reduces Furness stake to under 10%

Dolphin Investments, Mr. Frank Narby's family investment vehicle, has sold another 350,000 shares in Furness Withy. Dolphin disposed of 65,000 shares earlier this week and its stake in Furness Withy is now down to 9.96 per cent.

At the time of the first sale, Mr. Narby said that his family did not presently intend to dispose of the bulk of its holding nor indeed to make any further disposals except at acceptable price levels. While not disclosing the price, Mr. Narby said that the price was acceptable.

Last month, the Department of Trade effectively disenfranchised Mr. Narby of his voting rights in connection with the Furness Withy shares because Eurocanadian Shipholdings (of which Mr. Narby was formerly chief executive) had not fulfilled its undertaking to reduce its stake in Furness Withy to 10 per cent by the end of 1979. By transferring Eurocanadian's stake in Furness Withy to Dolphin Investments and two other companies, Helix Investments and Canadian National Railways, Mr. Narby had hoped to satisfy the authorities.

While Mr. Narby has been reducing his stake in Furness Withy it is clear he is still intent on making a mark on the British shipping scene. He plans to take up residence in Britain by early spring and revealed yesterday that his family company, Dolphin Investments, was soon going to open an office in the City. It would be primarily involved in making investments in the shipping industry.

BCA lifts stake to 7.5% in 'asset-rich' Caffyns

British Car Auction Group has lifted its stake in Caffyns, the South of England BL distributor, from 2 per cent to 7.5 per cent, with the purchase of 163,000 shares at 138p each. The shares rose 7p to a high of 172p yesterday following a jump of 19p on Tuesday.

Mr. David Wickens, chairman of BCA, said yesterday that the "idea of a full bid has not entered our heads," but he admitted that BCA would be interested in buying more shares at the right price.

Mr. Wickens considered the Caffyns share price to be low for a company which he described as "well run and "loaded with assets."

BCA has share stakes in several other motor distribution companies which Mr. Wickens said enabled the company "to receive a copy of their report and accounts so that we can see how they are doing."

The Caffyns family interests control some 54 per cent of the voting capital of the company.

DOWTY GROUP'S £0.3M PURCHASE

Dowty Group has acquired Herman Engineering Products for an aggregate consideration of approximately £300,000 satisfied by the issue of 175,000 shares of Dowty, and the balance in cash.

Herman and its wholly owned subsidiary, Herman (E. and T. D.) Engineering Products, have a high precision machining capability and for the year ended May 31, 1979, their combined turnover and profits before tax were £990,000 and £83,000 respectively.

JERMYN INV.

British and Commonwealth Shipping and its associate Country and New Town Properties have each acquired a further 57,500 shares in Jermyn Investment Company, increasing their respective holdings from 34.31 per cent to 40.06 per cent.

The companies acquired their original stake of 29.5 per cent each in Jermyn from Cairngorm Holdings in 1972. Under the Takeover Code, B and C was obliged to make an offer for the rest of the Jermyn capital. Jermyn holders were advised to reject the offer and there were no acceptances.

TDG BUYS INTO RAYMOND STEEL

Transport Development Group has acquired a 70 per cent interest in the share capitals of Raymond Vinette Steel and its associated company Raymond Structural Steel. TDG's initial investment amounts to C$1.3m.

The companies are based in Ottawa, Canada, and their founder, Mr. Richard Raymond, will continue as chief executive.

GRINDLAYS SELLS COX & KING

Grindlays Bank has sold its travel subsidiary, Cox and King, to two private individuals.

They are Mr. John Barber, former deputy chairman of British Leyland and a director of Acrow, and Mr. Anthony Good, who has been chairman and chief executive of Cox since 1975 and also runs Good Relations, a public relations consultancy.

ASSOCIATES DEAL

Carr Sebag and Co. has purchased 45,000 Decca Ordinary at 358p on behalf of Racal Electronics.

CHURCHBURY SALE SHOULD NET £2M

Churchbury Estates is selling its freehold interest in Hartley House, Enfield, London, for £2,275,000. After tax and expenses, net proceeds should amount to £2m against a book value of £1.5m.

Churchbury is continuing to sell smaller and older properties in its portfolio. Sales, including contracts exchanged, have amounted to £925,000 since March last year and properties worth £419,000 were bought in the same period.

BERNARD WARDLE SAYS WAIT

The board of Bernard Wardle, which has been told that Mr. Ferguson Lacey's Birmingham Midland Counties Trust, intends to make an offer for up to 51 per cent, is holding talks with S. G. Warburg, its advisers. Meanwhile, it advises shareholders to take no action until it makes a further announcement.

COKER-COLE

Mr. Stuart Symington, managing director of Coker-Cole of Kettering, Northamptonshire, has purchased the whole of the company's capital from Bartley Industries.

Coker-Cole, which manufactures and markets footwear components, leather goods and other products, has an annual turnover of £2.5m.

SHARE STAKES

Jantar—Following the sale of 45,000 shares Electra Finance Company is interested in 130,000 ordinary (6.63 per cent). Electra is a subsidiary of Globe Investment Trust.

A. Arenson (Holdings)—Having exercised their options under company's executive share option scheme, directors' holdings are as follows: A. Arenson 1,503,000 shares (9.56 per cent); J. H. Sacks 484,210 (3.08 per cent); P. D Townshend 69,266 (0.44 per cent) and S. Tregar 63,000 (0.40 per cent).

Cardiff Malting — Saxonbest and Associates have disposed of their holding of 37,500 shares (5.1 per cent).

Huntleigh Group—Sir Joseph Hunt, chairman, and his wife, Lady Esme Jeanne Hunt have each disposed of 30,000 shares

Vinten Group—Mr. C. M. Brown, director, has disposed of 30,000 shares. Mr. W. P. Venten, director, has disposed of 20,000 shares.

R. P. Martin—Mr. P. J. Watling, director, has acquired 50,000 shares.

Australian and International Trust—UK Provident Institution has disposed of 545,000 ordinary (9.1 per cent).

Dundonian—Remor, a company in which R. H. Morley has an interest, has disposed of 50,000 ordinary. Mr. Morley is now beneficially interested in 161,420 ordinary.

Suter Electrical—Co-Operative Insurance Company of Australia has acquired 75,000 ordinary making holding 240,000 (7.3 per cent).

Ashdown Investment Trust—Sun Alliance Insurance Group has disposed of 120,000 ordinary reducing holding to 380,000 (3.6 per cent).

Marlborough Property Holdings—Mr. A. S. Jolliffe, director, having disposed of 50,000 shares now holds 1,470,906 shares.

S. Leboff (Fobel)—A. J. Leboff, director of Fobel International, bought 10,000 shares, on January 18.

A. G. Stanley Holdings—Berger Jenson and Nicholson has purchased a further 80,000 ordinary bringing its holding to 2,981,287 (11.77 per cent).

Giltspur—R. D. Brewster, director, has sold 15,000 shares reducing his holding to 24,111.

Rowntree Mackintosh — The trustees of the Joseph Rowntree Memorial Trust have disposed of 50,000 shares reducing holding to 7,674,996 (7.1 per cent).

United City Merchants—W. H. Thomas, director of a subsidiary, has purchased 5,840 shares.

House of Fraser—The trustee interest of G. Willoughby, director, is now 1,179,714 shares.

Benford Concrete Machinery—Prudential Corporation now holds 1,145,608 shares (5.16 per cent).

St. Andrew Trust—The Scottish Widows Fund and Life Assurance Society has acquired a further 40,000 ordinary making holding 703,694 (6.14 per cent).

H. Woodward and Son—S. Howard, director, has, with his wife, disposed of 10,286 shares.

West Coast and Texas Regional Investment Trust — Colonial Mutual Life (Pension Annuities) has increased its holding from 270,000 to 280,000 shares (9.3 per cent).

Booth International Holdings —J. S. M. Booth, director, has disposed of 14,600 shares reducing his interest to 1,255,615 ordinary (31.39 per cent).

Linfood Holdings — J. A. Blades, director, has disposed of 5,000 shares and acquired 7,000.

MINING NEWS

Rustenburg defends its low price policy

BY KENNETH MARSTON, MINING EDITOR

SOUTH AFRICA'S Rustenburg Platinum Holdings has reaffirmed that it will continue to support the platinum producer price concept in the interest of long-term market stability. At present the producers, including Rustenburg and Impala, are selling their output at a "fixed" $420 per troy ounce compared with free market prices of around £$815.

The Rustenburg chairman, Sir Albert Robinson, told the Johannesburg annual meeting that although some revenue might be lost in the short term because of the lower producer price, the existing contractual arrangements were advantageous to the group.

He pointed out that potential competitors were hesitant to spend large sums on new mines with Rustenburg supplying consumers at a price so much lower than free market levels.

His group would continue to pursue a conservative policy with regard to additional platinum output in view of the likelihood of a significant rise in Russian platinum production over the next few years. But he added that Soviet demand for the metal was also expected to increase, leaving only a marginal rise in the Soviet supply to the world market.

Sir Albert also said that when Rustenburg's R56m (£30.4m) nickel-copper refinery is completed by the end of next year the company will become a significant producer of high quality nickel. But he reaffirmed that the group would continue with a modest dividend policy, this being on the basis of payments covered three times by earnings.

Profit growth at Kalgoorlie

THE financial attractions behind the move to expand gold mining in Western Australia were emphasised yesterday when Kalgoorlie Mining Associates, which operates the Mount Charlotte mine and is developing the Fimiston leases, announced more than doubled half-year profits.

Earnings for the half year to January 8 were A$13.3m (£6.5m) compared with A$5.18m in the same period a year before. The profits boost came from a 96 per cent increase in the average realised gold price to A$360 an ounce, although actual gold production slipped 8 per cent.

KMA is 48 per cent owned by Homestake Mining, the U.S. group, and 52 per cent by Kalgoorlie Lake View, in which Gold Mines of Kalgoorlie has a 47 per cent stake.

GMK reported a half-year net profit of A$3.2m against A$1.2m in the 1978-79 first half. It declared a dividen dof 5 cents (2.45p), compared with a payment of 3 cents for the whole of the 1978-79 year.

The revival in the fortunes of the Kalgoorlie Lake View partners over the last year has undoubtedly stimulated a number of small companies anxious to participate in a latter-day version of the Gold Rush.

Warramboo Mining, a Golden Grove Mining Group unit, has acquired options on 16 old gold mines in Western Australia, and West Coast Holdings of Perth has taken an interest in two small open-pit mines, which have declared a dividend of 5 cents

West Coast has also purchased leases and options in the Siberia district of the state and is developing a programme to determine ore reserves.

In London yesterday, GMK shares were 4p higher at 206p, while West Coast were unchanged at 13p.

ROUND-UP

CSR, the Australian resources group, has built up its holding in Thiess, the coal group, to 73.3 per cent.

* * *

Geologists have verified deposits of 5,000 tonnes of mecury and 17,000 tonnes of antimony in Sunyang County, south of the Qinling mountain range, in the north-west Chinese province, the New China News Agency said in Peking.

* * *

Denison Mines, the diversified Canadian group, said it had successfully outlined "some gold deposits" on alluvial ground in Cameroon and feasibility studies will be started early this year.

* * *

Nickelore, the Australian exploration company, is raising A$508,430 (£298,750) by a one-for-one non-renounceable rights issue at 30 cents a share.

NORWAY TESTS SUBSTITUTE FOR BAUXITE

Trial processing of anorthosite to produce alumina has started at the Institute of Atomic Energy outside Oslo. This could lead to a decision later this year on the initiation of a pilot project, according to the Norwegian Information Service.

Norwegian government and business interests have been working for five years on a research project aimed at finding a means of using the large domestic deposits of anorthosite for alumina, instead of bauxite which is the traditional feedstock.

The anorthosite deposits are on the western coast in the Sognefjorden area. Anorthosite is a feldspar rock and has been used locally as a white aggregate for roads and buildings.

But it will be at least another 10 years before industrial production of alumina from bauxite could start in Norway, the Information Service warned.

The research project is in the hands of Anortal, a special company backed by aluminium producers like Aardal og Sunndal Verk and Elem Spigerverket.

DEAD SEA WORKS BOOSTS SALES

Dead Sea Works, the Israeli potash producer, pushed up sales to $88m (£38.1m) last year from $58m in 1978, reports L. Daniel from Tel Aviv.

Total sales from Dead Sea Works itself and its two subsidiaries, Dead Sea Bromine and Bromine Compounds of Beersheba, came to $130m, an increase of 26 per cent over 1978.

The group is building another potash plant which will raise capacity from 1.2m tonnes to 2.1m tonnes a year.

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Philip Morris ahead of forecast

By Our Financial Staff

MAINTAINED EARNINGS growth in the final quarter enabled Philip Morris, manufacturer of Marlboro' and Benson and Hedges cigarettes, to top forecasts for 1979. Earnings for the year are 24 per cent higher at $507.9m, with share earnings up from $3.38 to $4.08, compared with forecasts of $4.05. Sales at $8.3bn, showed an increase of 25 per cent. For 1980, Wall Street analysts have predicted earnings of $4.70 a share.

In the final quarter, the group lifted profits by 21 per cent to $123m. or from 84 cents to 99 cents a share, on sales 23 per cent higher at $2.16bn.

Although a slight contraction in the cigarette market in the U.S. has been predicted for this year, Philip Morris expects to push revenues ahead by some 15 per cent by extending its market share. Miller

Oil sector helps Tenneco to achieve record result

BY OUR NEW YORK STAFF

SHARPLY HIGHER income from oil operations lifted the earnings of Tenneco by 26 per cent to a record $571m last year. Sales were up by a similar proportion to $11.2bn.

Net income in the final quarter also rose strongly from $131m to $164m on sales up 32 per cent at $2.5bn.

Tenneco said it had experienced strong earnings in all its major divisions: construction and farm equipment—via The J. I. Case Company—chemicals, land management, shipbuilding, packaging and insurance.

Details were not given, but the company did say that operating income for Tenneco Oil was up 49 per cent in 1979, reflecting high capital investment in leasing and exploration activity in recent years.

Mr. James Ketelsen, the chairman, said that the company had achieved its goal of adding new reserves at the rate of production, thereby maintaining a steady level of oil reserves.

He forecasts earnings growth of "at least 10 per cent" for 1980, but said that the year would be uncertain for agricultural and construction equipment activities.

McGraw-Hill steps up dividend

NEW YORK—McGraw-Hill, the large publishing group, said that directors increased the quarterly dividend to 38 cents from 32 cents, payable March 12 to holders of record February 26. The company has increased its dividend each year since 1974.

It said that the increase reflects its long-standing policy of paying out up to 50 per cent of hte previous year's earnings. Although final figures for 1979 will not be available until early next week the company said that it was another very successful year.

Exxon, the world's biggest oil company, increased its quarterly dividend to $1.20 a share from $1.10, payable March 10 to shareholders of record February 8.

An extra dividend of 15 cents is declared by Asarco, a leading producer of copper, lead, silver and other metals. Asarco has also increased its regular quarterly dividend by 10 cents to 35 cents. Both dividends are payable March 3, to holders of record February 13. Reuter

Setback in final period at Memorex

By Stewart Fleming in New York

FOURTH QUARTER earnings for Memorex, the California-based computer peripheral equipment manufacturer, plunged from $12.4m to $2.2m, the company reported yesterday.

The company's earnings have been under pressure throughout the year, partly because of aggressive pricing and new product introductions by International Business Machines, which dominates the computer market.

But, in spite of these pressures, Memorex had been able to maintain its profits at just over $29m through the first nine months of 1979 and the sharp decline in the final quarter took some analysts by surprise yesterday.

Mr. Robert Wilson, the chairman and president, attributed the lower 1979 earnings to pricing pressures and other competitive factors and to difficulties associated with production of some products which he said had resulted in increased costs and restricted production.

But, he said that actions were being taken to remedy these difficulties. He added that although pricing pressures appeared to be moderating, the other factors would continue to affect the company well into 1980.

In the past year, Memorex has been in merger discussions with Amdahl, a manufacturer of main frame computers, but these talks broke off at the end of last year. It had previously rejected an offer from Storage Technology.

U.S. Steel closures bring $561m last quarter loss

BY IAN HARGREAVES IN NEW YORK

UNITED STATES STEEL, America's biggest steelmaker, turned in a $561.7m loss in the last quarter of 1979 as a result of the decision to close parts of the 13 production units with the loss of 13,000 jobs. The cost of these cuts was made public along with the quarterly earnings. At $808.6m before tax, it was the biggest write-down in the industry's history.

For the whole of last year, in spite of profits from its diversified chemicals and transport interests, U.S. Steel had a net operating loss of $383.4m, against an income of $242m in 1978. Steel manufacturing operations lost $94.9m compared with an income of $25.5m in the previous year. After the closure charges, the company had a net loss of $293m, or $3.41 a share for 1979 against a profit of $242m, or $2.85 a share the year before. Sales for the year were up from $11bn to $12.9bn.

The fourth quarter net loss of $561.7m, equal to $6.50 a share, compared with earnings of $94.6m or $1.11 a share the previous year. Sales were static at $3bn, as steel shipments fell by 1.1m tons to 4.4m tons.

Meanwhile, Bethlehem Steel, which in 1977 took a $750m write down in circumstances similar to those currently faced by U.S. Steel, continues to outperform its larger competitor.

Bethlehem, the number two steelmaker, reported fourth quarter profits almost halved at $38.6m, against $74.5m, but had a gain on the year from $225.1m in 1978 to $275.7m. Sales for the year were up 16 per cent at $7.14bn, but for the quarter they were almost static at $1.76bn.

Mr. Lewis Foy, the chairman, said that he expected 1980 to show lower profits and steel shipments than 1979, when shipments rose by 300,000 tons to 13.4m tons. He said that the improvement in 1979 earnings reflected higher production levels. Shipyard operations, although unprofitable, had been significantly better than in 1978.

Like Mr. Roderick, Mr. Foy called for a change in U.S. Government policy to stimulate profitability in the industry to enable it to modernise and expand to meet what he forecast would be a long-term increase in demand for steel.

EUROBONDS

Most major sectors fall back

BY FRANCIS GHILES

ALL MAJOR sectors of the Eurobond market, except the Swiss franc, lost ground yesterday. Trading volume was reduced to a trickle

Sterling bond prices shed between ¼ and ½ of a point on rumours that a new issue yielding possibly as much as 14 per cent might be in the offing. Average yields on outstanding sterling issues stand at around 13¾ per cent.

In the dollar sector, shorter dated straight dollar bonds were worst hit than longer maturity ones. Until yesterday shorter dated paper had held up better, hence the losses were greater. The EDF 9⅝ per cent bond to 1986, to quote one example, lost 1½ points yesterday to finish at 87¾-88¼. At this level it still yields only 12.59 per cent, a figure which many bond dealers consider cheap, insofar as more and more bonds of equivalent maturities are yielding 13 per cent and more.

In the Deutsche Mark sector, the coupon on the DM 20m seven-year private placement for Asics was increased by ¼ of a point to 8¾ per cent before being priced at 99½ by the lead manager, Commerzbank. Prices of foreign D-Mark bonds were off b yabout ⅜ of a point

In the Swiss franc sector a SwFr 40m five-year private placement was announced for Yamashita Shinnihon. The lead manager for this time, which carries a coupon of 5⅜ per cent, is Union Bank of Switzerland, which has priced the issue at par. The SwFr 40m four-year private placement for Autopistas del Mare Nostrum has been postponed by the lead manager, UBS.

The Fl 60m 10-year bond for the Inter American Bank, which carries a coupon of 9¾ per cent and is being managed by Algemene Bank Nederland, was priced at 99.2 by the lead manager.

Meanwhile, foreign buying of Japanese bonds has been stepped up. Net foreign purchases of Japanese bonds rose from $85m to $435m equivalent from November to December last year, the Finance in Tokyo said. From April to December, net foreign purchases of Japanese bonds totalled $995m equivalent as compared with a $224m for the same period in 1978.

CANADIAN NEWS

Royal Trustco's margins under pressure

BY OUR FINANCIAL STAFF

ROYAL TRUSTCO has reported net profits for 1979 of C$29m, US$24.9m or C$1.70 per common share, compared with C$28.8m, or C$1.81 per share for 1978. The results include gains on investments, foreign exchange adjustments, and extraordinary items totalling C$1.8m for 1979 and C$2.5m for 1978.

Earnings per share were struck after preferred dividends of C$1.9m in 1979. The preferred shares have been outstanding only since August 1979. Total assets at the year-end stood at C$7.07m compared with C$5.84m.

Mr. Kenneth White, chairman, president and chief executive, said record levels of interest rates during 1979 were a major factor in narrowing profit margins, particularly in the fourth quarter. He said that 1979 results also were influenced by rising operating costs and company expansion in Canada and abroad.

Fourth quarter earnings at Du Pont Canada jumped from C$1.9m or 24 cents a share to C$18.5m or C$2.35 a share on sales of C$233m compared with C$186m.

The result gives the chemical group earnings for all 1979 of C$59m or C$7.46 a share against C$10.2m or C$1.28 a share from sales of C$879m compared with C$662m.

Union Carbide Canada, a major producer of chemicals and special metals, earned C$57.8m, or C$5.35 a share in 1979, against C$20m, or C$1.67 a year earlier, on sales of C$685m against C$528m, Robert Gibbens adds from Montreal. The gain was due to higher prices stemming from strong domestic and international demand for petrochemicals.

Montreal Trust Company, part of the Power Corporation of Canada group, earned C$5.9m, or C$2.32 a share in 1979, against C$7m or C$2.73 a year earlier. Revenues were C$171m, against C$144m.

The decline in earnings reflected the effects of record high short-term interest rates. The company had assets of C$1.2bn at year end, up C$200m during the year.

AMERICAN QUARTERLIES

ALBANY INTERNATIONAL

	1979 $	1978 $
Fourth quarter		
Revenue	88.3m	80.6m
Net profits	6.45m	5.75m
Net per share	0.97	0.87
Year		
Revenue	333.5m	289.3m
Net profits	23.29m	19.02m
Net per share	3.52	2.89

AMERICAN HOSPITAL SUPPLY

	1979 $	1978 $
Fourth quarter		
Revenue	546.9m	472.2m
Net profits	29.63m	25.72m
Net per share	0.75	0.66
Year		
Revenue	2.04bn	1.74bn
Net profits	109.42m	92.56m
Net per share	2.78	2.37

BORDEN

	1979 $	1978 $
Fourth quarter		
Revenue	1.1bn	999.4m
Net profits	29.3m	33.0m
Net per share	0.94	1.08
Year		
Revenue	4.3bn	3.8bn
Net profits	134.0m	135.8m
Net per share	4.31	4.38

CITIES SERVICE

	1979 $	1978 $
Fourth quarter		
Revenue	1.73bn	1.26bn
Net profits	106.2m	†30.3m
Net per share	3.83	†1.09
Year		
Net profits	347.5m	118m
Net per share	12.54	4.27

†Loss

COMMONWEALTH EDISON

	1979 $	1978 $
Fourth quarter		
Revenue	652.6m	597.7m
Net profits	18.77m	53.19m
Net per share	0.21	0.68
Year		
Revenue	2.72bn	2.44bn
Net profits	214.96m	254.05m
Net per share	2.51	3.30

CONE MILLS

	1979 $	1978 $
Fourth quarter		
Revenue	164.7m	152.4m
Net profits	12.16m	9.76m
Net per share	2.10	1.68
Year		
Revenue	681.3m	618.0m
Net profits	43.76m	36.02m
Net per share	7.54	6.22

DILLINGHAM

	1979 $	1978 $
Fourth quarter		
Revenue	339.6m	252.4m
Net profits	4.48m	13.33m
Net per share	0.33	0.99
Year		
Revenue	1.15bn	919.7m
Net profits	27.84m	14.07m
Net per share	2.05	1.04

DOMTAR

	1979 $	1978 $
Fourth quarter		
Revenue	403.4m	344.0m
Net profits	28.3m	22.3m
Net per share	1.90	1.48
Year		
Revenue	1.5bn	1.25bn
Net profits	97.9m	63.3m
Net per share	6.57	4.23

GOULD

	1979 $	1978 $
Fourth quarter		
Revenue	533.1m	493.1m
Net profits	29.4m	25.5m
Net per share	1.03	0.90
Year		
Revenue	2.02bn	1.87bn
Net profits	105.9m	101.0m
Net per share	3.71	3.56

MAYTAG

	1979 $	1978 $
Fourth quarter		
Revenue	100.8m	89.8m
Net profits	13.62m	10.99m
Net per share	1.01	0.82
Year		
Revenue	369.1m	325.0m
Net profits	45.28m	36.69m
Net per share	3.39	2.74

MURPHY OIL

	1979 $	1978 $
Fourth quarter		
Revenue	411.4m	303.5m
Net profits	38.01m	17.38m
Net per share	3.04	1.40
Year		
Revenue	1.59bn	1.22bn
Net profits	103.57m	46.59m
Net per share	8.32	3.75

NATOMAS

	1979 $	1978 $
Fourth quarter		
Revenue	283.4m	230.6m
Net profits	34.18m	13.11m
Net per share	1.44	0.73
Year		
Revenue	1.01bn	882.7m
Net profits	110.79m	62.33m
Net per share	5.55	3.57

NL INDUSTRIES

	1979 $	1978 $
Fourth quarter		
Revenue	476.4m	410.96m
Net profits	2.89m	25.82m
Net per share	0.05	0.76
Year		
Revenue	1.8bn	1.5bn
Net profits	111.94m	86.28m
Net per share	3.28	2.52

PABST BREWING

	1979 $	1978 $
Fourth quarter		
Revenue	171.4m	159.9m
Net profits	769,000	2.18m
Net per share	0.09	0.25
Year		
Revenue	785.0m	735.8m
Net profits	9.48m	11.09m
Net per share	1.12	1.29

PANHANDLE EASTERN PIPE LINE

	1979 $	1978 $
Fourth quarter		
Revenue	549.7m	411m
Net profits	23.81m	39.1m
Net per share	1.27	2.14
Year		
Revenue	1.97bn	1.41bn
Net profits	148.08m	119.21m
Net per share	8.02	6.58

PHILADELPHIA ELECTRIC

	1979 $	1978 $
Fourth quarter		
Revenue	430.8m	344.4m
Net profits	40.4m	42.2m
Net per share	0.35	0.41
Year		
Revenue	1.58bn	1.46bn
Net profits	194.5m	184.9m
Net per share	1.86	1.87

PHILLIPS PETROLEUM

	1979 $	1978 $
Fourth quarter		
Revenue	3.05bn	2.2bn
Net profits	306.5m	279.5m
Net per share	1.98	1.81
Year		
Revenue	9.75bn	7.42bn
Net profits	891.1m	718.1m
Net per share	6.77	4.88

STAUFFER CHEMICAL

	1979 $	1978 $
Fourth quarter		
Revenue	372.4m	326.6m
Net profits	35.93m	33.78m
Net per share	0.81	0.77
Year		
Revenue	1.54bn	1.34bn
Net profits	135.96m	126.02m
Net per share	3.10	2.88

TEXAS INSTRUMENTS

	1979 $	1978 $
Fourth quarter		
Revenue	908.1m	733.2m
Net profits	46.52m	39.81m
Net per share	2.03	1.74
Year		
Revenue	3.22bn	2.55bn
Net profits	172.89m	140.29m
Net per share	7.58	6.15

U.S. FIDELITY AND GUARANTY

	1979 $	1978 $
Fourth quarter		
Revenue	574.6m	541.2m
Net profits	65.52m	60.38m
Net per share	2.36	2.20
Year		
Revenue	2.14bn	1.96bn
Net profits	229.09m	218.66m
Net per share	8.28	7.97

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on January 30

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	85⅝	85⅞	−1⅛	−2⅞	12.68
Alex Howden XW 9½ 91	30	75	77	−0½	0	13.78
Aquitaine Can. 11¼ 85	30	93½	94	−0¼	−1	13.03
Australian Res. 9⅝ 84	30	88⅞	89⅜	−0⅝	−2	12.91
Avco O/S Cap. 10⅛ 87	40	78¼	78¾	−0½	−2½	15.31
Beneficial Fin. 9¾ 87	100	85¾	86¼	−0¼	−1½	12.74
CECA Grad. Rate 12 86	100	94⅞	95⅜	−0¼	−0⅞	13.13
CECA 9¾ 99	125	177	77½	−0½	−2	13.40
Canadian Pacific 9¾ 89	50	84⅞	85⅜	−0½	−1⅞	12.53
Carter Hawley 9¾ 86	50	85⅝	86⅛	−0¼	−2	13.10
Comalco Inv. E. 10⅛ 91	40	86⅝	87⅛	−0¼	−1⅞	12.41
Continental Grp. 9⅝ 86	100	85¾	86⅜	−0¼	−1⅞	12.80
Dome Petroleum 10 94	50	82⅝	83⅛	−0⅜	−2⅛	12.81
Dominion Bridge 10⅛ 84	30	90⅜	90⅞	−0⅛	−2⅜	13.16
EIB 11¼ 92	80	90⅜	90⅞	−0¼	−2⅞	13.36
EIB 10 99	150	80⅝	81⅛	+0⅛	−2⅛	13.07
EIB 10⅛ 87	100	88⅜	88⅞	−0¼	−1⅛	13.04
EIB 10.15 99	100	87⅞	92⅜	+0⅛	−2⅜	13.05
Ekportfin 11⅛ 87	50	83⅜	83⅞	−0⅜	−1⅜	12.71
Export Dv. Cpn. 9⅜ 84	100	90	90½	−0⅛	−0⅛	12.42
Export Dv. Cpn. 9⅝ 84	150	90⅞	91⅜	−0¼	−1⅛	12.38
Finland 9⅝ 89	100	84⅜	84⅞	−0⅜	−1⅜	12.85
GTE Finance 9⅜ 89	55	85¾	86¼	−0⅛	−2⅛	12.21
GMAC 9⅛ 86	100	85⅝	86⅛	−0⅛	−1½	12.54
GMAC O/S Fin. 11 84	100	94⅝	95⅛	−0½	−1⅜	12.44
Gould Int. Fin. 9⅝ 85	50	88⅜	88⅞	0	−2⅛	12.93
ITT Antilles 9½ 89	75	83⅛	83⅝	−0⅛	−2	12.63
Kennecott Int. 9½ 86	100	83⅞	84⅜	−0⅜	−1	13.36
Manitoba 9½ 89	75	82⅝	83⅛	−0⅛	−1⅜	12.77
Michelin 10 94	125	84	84½	−0⅛	−2⅝	12.36
Nat. Des. Telecm. 9½ 86	100	87⅛	87⅝	−0⅛	−1½	12.45
New Brunswick 9⅝ 94	75	80½	81	−0⅛	−3⅛	12.75
Newfoundland 10 94	50	82⅝	83⅛	−0¼	−2⅛	12.85
Norges Komm. 9⅞ 99	100	80¾	81¼	−0⅜	−3⅛	12.84
Norway 9½ 84	150	90⅛	90⅝	−0⅛	−1	12.48
Nova Scotia Pwr. 9⅜ 89	50	83⅜	83⅞	−0⅛	−3	12.90
Occidental Fin. 10⅛ 84	50	91⅝	92⅛	−0⅜	−2	12.76
Orient Leasing 9½ 86	25	86⅞	87⅜	−0⅛	−1⅛	12.50
Pennwalt O/S F. 9⅜ 84	25	89½	90	−0⅜	−1⅞	12.94
Pepsico Cap. 9⅛ 84	100	90½	91	−0⅛	−1	12.25
Quebec Hydro 10 99	75	79	79½	−1⅛	−3⅛	12.95
Sears Roebuck 9 82	150	93	93½	−0⅛	−0⅜	12.96
Statoil 9⅜ 89	100	84⅛	84⅝	−0½	−2	12.47
Sweden 9⅜ 89	100	84⅛	84⅝	−0½	−2⅛	12.69
Sweden 9½ 86	200	87½	88½	−0⅜	−2	12.69
Sweden 9⅝ 84	100	90⅝	91⅛	−0½	−1⅛	12.42
Unilever NV 9⅛ 87	100	85½	86	−0⅛	−1⅞	12.26
Warner-Lambert 9 84	100	89½	90	−0½	−1⅛	12.09

Average price changes... On day −0⅜ on week −1½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	97⅝	98⅛	−0	0	8.35
Argentina 7½ 89	150	90⅞	91⅜	+0⅛	−0½	8.92
Asian Dev. Bk. 7½ 89	100	92½	93	0	0	8.40
Barclays O'seas 6¾ 89	100	90½	91	−0½	−1	8.21
Brazil 8 87	150	92⅞	93⅜	−0⅜	−1¼	9.27
CECA 7 91	150	91⅞	92⅜	−0½	−1	8.07
Council of Eur. 7¾ 89	100	94⅜	94⅞	−0⅛	−0⅜	8.11
EEC 7⅞ 94	225	97⅜	97⅞	−0⅛	−0½	8.17
EIB 7½ 89	200	95⅛	95⅝	−1	1−⅛	8.20
Finland, Rep. of 8 86	150	98⅞	99⅜	−0⅛	0	8.16
Kobe, City of 7⅛ 89	150	95⅛	95⅞	−0½	−1⅛	7.80
Mitsubishi Chem. 6½ 84	70	95⅝	96⅛	−1	−0⅞	7.62
Neder. Gasunie 8 86	100	102⅜	102⅞	0	0	7.49
New Zealand 7⅛ 87	200	95⅝	95⅞	−0⅜	−0⅞	7.92
Nippon Kokan 6½ 84	100	93⅝	94⅛	−0½	−0½	8.25
Nippon Tel. & T. 5½ 87	100	85⅞	86⅜	−0⅛	−0⅛	8.18
Norges Komm. 7¾ 91	150	98	98½	−0⅛	−1	7.98
Norges Komm. 8¼ 94	150	†100⅝	101⅛	0	+0⅛	8.15
Norway 6¾ 84	200	94⅝	95⅛	−0⅞	−2	7.76
OKB 6 87	40	88	89	0	0	8.23
OKB 7¾ 89	100	95½	96⅛	0	−0⅜	7.99
Tokyo Elec. Pwr. 6½ 85	200	93⅛	93⅞	−0⅛	−0⅛	8.05
World Bank 7¾ 91	400	95⅛	95⅞	−0⅛	−0⅛	8.57
World Bank 7⅞ 90	250	97⅜	97⅞	0	−0⅛	8.25

Average price changes...on day −0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	93	93¼	+0½	+0⅛	6.49
Aumar 5 89	60	†88	88½	−0⅜	−2½	6.72
Australia 3¾ 89	250	89¼	89¾	+0⅛	−1½	5.08
Bergen, City of 4⅜ 91	40	93	93½	+0½	−1⅛	5.54
BNDE 6 89	75	80½	81	0	−2½	7.96
BMW Overseas 4¼ 91	100	90¼	90½	+1	−0⅞	5.38
Caisse Nat. Tele. 4⅜ 89	100	89½	90	+0¼	−1⅞	5.80
Canada 3⅞ 89	300	87½	88	+0½	−4⅛	5.35
Copenhagen 4½ 91	60	88¼	89	0	−3⅛	5.87
Council of Eur. 5 89	100	91	91¼	−0½	−4⅞	6.23
EIB 4½ 91	100	86	86½	+0½	−1⅛	6.35
EIB 4⅝ 94	100	84	84⅝	+0½	−0⅛	6.01
Elet. de France 4⅜ 89	100	90	90½	+0½	−2⅞	5.73
GZB 4¼ 89	100	84½	85	+0⅛	−4⅛	6.40
Hilti 4½ 91	35	94½	94⅝	+0⅛	−0⅜	4.87
ICI Fin. NV 3½ 94	230	77½	78	+0⅞	−2	5.86
Int.-Amer. Dev. 4½ 89	100	90⅛	90⅜	+1⅛	+1	5.82
Malaysia 5 89	80	85¼	86	+0½	−1⅛	7.05
Nippon Tel. & T. 4¾ 89	100	86	86½	−0½	−6	6.18
Nordic Bank 5 89	45	93¼	94	+0⅛	−2⅛	5.89
Norges Komm. 4⅜ 91	100	85⅜	86	+0⅜	−1⅞	6.10
OKB 3¾ 91	100	83⅛	83⅝	+1⅛	+0⅛	5.82
OKB 4⅛ 91	100	85	85⅛	−1½	−3	6.20
Oslo, City of 4⅜ 91	100	85	85½	+0½	−2⅛	6.19
Shikoku El. Pwr. 4⅜ 89	100	95¼	95½	+1⅛	+3	5.36
Spain 4 91	100	86⅛	86⅝	−0⅛	−1⅛	5.68
Steweag 4⅜ 91	60	91	91½	+1⅛	+1	5.81
Voest-Alpine 4⅞ 89	90	91½	92	+0½	0	5.92
World Bank 4⅜ 89	100	†96½	97	+1½	0	5.06
World Bank 4⅛ 89	150	90½	91	+0⅛	−1	5.64
World Bank 4⅜ 91	100	90⅛	90⅝	+0⅛	−0⅛	5.76

Average price changes..on day +0⅛ on week −1⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	90⅞	91⅞	0	0	8.69
Australia 6½ 88	20	85⅜	86⅜	−0⅛	−0⅛	9.03
EIB 7⅜ 89	12	97⅝	98⅝	0	−0⅛	8.03
Finland 5.6 83	10	89⅜	90⅜	−0⅛	+0⅛	8.81
Finland 6.8 88	10	87⅝	88⅝	0	0	8.98

Average price changes... On day 0 on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin. 10⅛ 86 C$	25	85⅝	86⅞	0	−2⅛	13.81
Bell Canada 10⅛ 86 C$	60	89⅝	90⅛	+0⅛	−1⅞	12.96
Cr. Foncier 10⅛ 84 C$	30	89⅝	90⅛	−0⅛	−0⅛	13.37
Ex. Dev. Cpn. 10 84 C$	60	90⅝	91⅛	0	−1⅛	12.82
Fst. Can. Inv. 10 84 C$	50	89	89½	+0⅛	−1⅛	13.41
Hudson Bay 10½ 89 C$	60	86⅛	86⅝	−2⅛	−2⅝	13.09
Quebec 10⅛ 86 C$	50	89	89½	+0⅛	−1⅛	12.81
R. Bk. Canada 10 86 C$	40	89¼	89¾	+0⅛	−1⅞	12.48
R. Bk. Canada 10 94 C$	40	84⅛	84⅝	+1	−0⅛	12.36
Copenhagen 8⅝ 91 EUA	20	98⅜	99⅜	0	0	8.84
M. Bk. Dnmk. 9 91 EUA	25	95⅜	96⅜	−0⅛	−0⅛	9.53
SOFTE 8⅛ 89 EUA	40	88⅜	89⅜	0	−0⅛	10.18
Algemene Bk. 8⅝ 84 Fl	75	97⅛	97⅞	0	−0⅛	8.91
Ned. Gasunie 8⅝ 84 Fl	50	96⅞	97⅝	−0⅛	−0⅛	9.12
Ned. Middbk. 8⅝ 84 Fl	75	96⅜	97⅛	+0⅛	0	9.13
Norway 8⅜ 84 Fl	100	96	96½	0	0	9.38
Norway 8⅜ 84 Fl	100	96	96½	0	0	9.25
Philips Lamps 8⅝ 84 Fl	75	96⅛	96⅝	−0⅛	−0⅛	9.34
Air France 11 84 FFr	120	97⅜	98⅛	−0⅛	−0⅛	11.65
Euratom 9⅝ 87 FFr	150	85⅝	86⅜	−0⅛	0	12.74
Finland 11 84 FFr	80	95	96	0	0	12.28
Finland 11½ 89 FFr	70	94⅛	95⅛	0	0	12.46
Gaz de France 11 84 FFr	[illegible]	97	98	−0⅛	−0⅛	11.68
IBM France 11⅛ 84 FFr	[illegible]	96½	97	−0⅛	−0½	12.79
Renault 9⅝ 85 FFr	100	88⅛	89⅛	0	−0⅛	12.67
Saint-Gobain 9⅝ 86 FFr	130	85⅛	86⅛	+0⅛	+0⅛	13.09
Solvay et Cie 9⅝ 87 FFr	125	83⅜	84⅜	0	−0⅛	13.41
Total Oil 9½ 87 FFr	150	83	84	0	0	13.06
EIB 11½ 91 £	25	86⅛	87⅛	0	−0½	13.86
Finance for Ind. 13 91 £		96⅛	96⅞	−0⅛	+0½	13.61
Fin. for Ind. 12½ 89 £	30	93	93⅝	−0⅛	−1⅛	13.76
Gen. Elec. Co. 12½ 89 £	50	93⅛	93⅞	−0½	−1⅛	13.78
Indonesia 8⅜ 91 KD	7	†92⅞	93⅞	0	−0⅛	9.76
Mitsubishi 7½ 84 KD	10	†95⅛	95⅞	0	0	8.69
Norges Kom. 7½ 89 KD	12	†93⅛	93⅞	0	0	8.51
Occidental 8¼ 91 KD	7	†90⅛	90⅞	0	0	9.66
Akzo 9⅝ 87 LuxFr	500	94⅞	95⅞	0	0	10.12
Euratom 8 87 LuxFr	500	90⅛	91⅛	0	−0⅛	9.75
Euratom 9⅜ 88 LuxFr	500	99	100	0	−0⅛	9.84
Oslo, City of 8 89 LuxFr	500	90½	91½	0	0	9.50
Volvo 9⅜ 87 LuxFr	500	98⅛	99⅛	0	+0⅛	10.00

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0⅛	97⅝	98⅛	2/7	15½	15.41
Banco di Roma Int. 6 87	0⅛	99⅛	100	26/4	15⅛	15.79
Banco Urquijo 6 86	0⅛	97⅝	98⅛	21/3	13⅛	13.67
Bank of Ireland 5⅛ 89	‡0⅛	97⅝	98⅛	21/2	15.69	16.05
Bank of Tokyo 5⅜ 89	‡0⅛	97½	98	25/4	14.56	14.90
Barclays O/S Inv. 5 90	0⅛	97	97½	13/6	14½	14.63
Bergen Bk. A/S 6 89	‡0⅛	96⅝	97⅛	29/2	14.31	14.76
Bque. Indo Suez 5⅜ 89	0⅛	98⅝	99⅛	11/7	14.69	14.91
Citicorp O/S F. 6 94	‡0⅛	98⅜	98⅞	8/3	14.44	14.60
Citicorp O/S F. 83	§‡0	99⅜	100⅛	23/2	15⅛	15.14
Citicorp O/S F. 84	‡0	99⅜	99⅞	29/2	15	15.08
Co-operative Bk. 6 86	0⅛	97⅜	98⅛	15/5	15.06	15.39
Creditanstalt 5½ 91	§‡0⅛	98⅜	98⅞	14/3	14⅞	15.10
CNT 5¼ 86	§0⅛	99⅜	99⅞	16/4	15.19	15.24
GZB 5½ 89	‡0⅛	98⅛	98⅝	1/2	16.19	16.43
Jugobanka 8 89	0⅛	92	93	23/5	16	17.30
Ind. Bank Japan 5⅛ 87	0⅛	97	97½	15/4	14⅛	14.65
LTCB Japan 5¼ 86	0⅛	97⅜	97⅞	13/6	14⅛	14.60
LTCB Japan 5½ 89	0⅛	97⅛	97⅝	7/6	14.19	14.57
Mfrs. Han. O/S 5¼ 94	‡0⅛	98⅜	98⅞	29/2	13.81	14.01
Midland Intl. Fin. 5 89		99⅜	100⅛	20/6	15	15.02
Nacional Fin. 6⅜ 86	0⅛	97⅜	98⅛	25/7	14.69	14.99
Nat. West. 5¼ 94	§0⅛	97⅝	98⅛	11/4	14.94	15.24
Nippon Cred. Bk. 6½ 88	0⅛	97⅛	97⅝	12/7	14.44	14.81
Royal Bk. Scot. 5¼ 94	§‡0⅛	98⅛	98⅝	11/4	14⅛	14.83
Soc. C. de Bquo. 6½ 87	0⅛	96⅝	97⅛	3/4	13⅛	13.70
Sogenal 5¼ 89	§0⅛	96⅝	97⅛	13/7	14.44	14.90
Sweden 8⅛ 91	0⅛	97⅛	97⅝	18/4	14.44	14.81
TVO Pwr. 9 91 (D-lock)	0⅛	97⅛	98⅛	24/5	15.31	15.63
Williams & Glyn 5⅜ 91	0⅛	96⅛	97⅛	14/3	13	13.40
Bq. E. d'Alg. 4⅛ 89 SF	0½	93⅛	94⅛	18/6	6.69	7.12

Average price changes... On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅛ 89	10/79	145	107	108	+2⅛	−8.51
Alco Int. Fin. 9½ 94	1/80	40	95½	96⅛	+0⅛	14.78
Asahi Optical 7 84	11/79	805	91½	92½	−0⅛	11.68
Canon 6⅜ 94	8/79	570	101⅛	102⅛	+0⅛	3.13
Ciba-Geigy O/S F. 4 94	8/79	675	†87½	88½	+1⅛	2.54
Credit Suisse 4⅜ 93	10/79	1325	110⅛	111⅛	+0½	−0.46
Daiei Inc. 6½ 94	11/79	1020	96⅝	97⅛	−0⅛	7.67
Esselte 7¼ 89	9/79	169	92	94	0	−3.27
Honda Motor 5½ 89	9/79	532	102⅛	103⅛	+0⅛	7.28
LPC Internatnl. 8 89	9/79	35	†108½	109½	−0⅛	0.39
Meidensha Elec. 7 94	12/79	210	93½	94½	−0⅛	19.04
Mitsubishi Cp. 6½ 94	10/79	604	126	127⅛	0	9.42
Nippon Seiko 7⅛ 94	12/79	339	†93½	94½	−0⅛	−3.09
Nitto Elec. Ind. 6 94	7/79	735	80⅛	81⅛	0	11.99
Toshiba Cpn. 7⅛ 94	10/79	198	88⅛	89⅛	+0⅛	4.05
Union Bk. Switz. 5 89	2/80	125	110⅛	111⅛	−0⅛	4.56
Fujitsu 5 84 DM	7/78	475	88	88⅞	−0⅛	23.23
Kansai Elec. 4 84 DM	4/79	1234	85⅛	86⅛	0	49.80
Tokyu Ld. Cp. 4 86 DM	4/79	493	78⅛	79⅛	0	41.92
Uny Co. 6½ 85 DM	11/79	1071	94⅛	95⅛	−0⅛	10.26

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

ITALIAN MOTORCYCLE INDUSTRY

Entering a year of promise

BY RUPERT CORNWELL IN ROME

PIAGGIO, Italy's—and Europe's—largest producer of mopeds, scooters and motorcycles, is aiming to lift production in 1980 by a third, as the industry seeks to take proper advantage of what promises to be a particularly favourable year.

Helped by specialisation at the bottom end of the market, and a rigorous system of quotas on Japanese motorcycle imports to shield its own producers, Italy has already emerged as virtually the lone surviving bastion in Europe against the Japanese.

The soaring cost of oil and consequent increases in the price of petrol, congested traffic in city centres and mounting demand from poorer third world nations mean that the prospects for 1980 are the best ever for the sector.

The only question mark, for Piaggio and the other manufacturers, is whether they will be able to meet this demand, or—as in 1979—be held back by chronic labour disputes of the kind which last year were related to the hardfought renewal of the three-year metal and engineering workers' contract.

According to Sig. Giovanni Sguazzini, managing director of the Genoa-based Piaggio, the concern lost 88,000 units as a result of labour agitation in 1979. Production was running for most of the year at only around three-quarters of full potential.

Nevertheless, the group achieved an estimated turnover of L400bn ($490m) in 1979, up from L322.9bn in 1978, although the number of units produced dropped by 2 per cent to 738,500. This year the target is to sustain output by Piaggio's 12,000 workforce at around 4,100 units daily, making an annual total of over 1m.

However, success in meeting this ambitious goal depends on whether fresh strikes can be avoided. This in turn will hinge on negotiations over new internal house-by-house agreements to supplement the national contract.

Despite the disruptions of 1979, preliminary estimates suggest that Piaggio remained in the black last year, after its profit of L10.7bn ($13.3m) in 1978. Investment in 1979 totalled L44bn, and this year is unlikely to see any break in the sharply upward trend of capital spending since the mid-1970s.

Italy is the lone surviving bastion in Europe against the Japanese trading onslaught in mopeds and scooters. Output at the country's largest manufacturer is rising sharply

Overall, the Italian industry is but a fraction of the size of the Japanese, accounting for an output equal to barely a fifth of the 6m machines produced by the four big Japanese manufacturers, Honda, Yamaha, Suzuki and Kawasaki.

It was, however, the emergence of the Japanese threat which prodded the Italians into a rationalisation which produced the relatively sound structure of the industry today. The same pressures in Britain led to the virtual demise of an industry once studded with names like Norton, Triumph and BSA.

Piaggio, discreetly and carefully run by the Genoa family which still controls it, took over the ailing Gilera. The Argentine-born industrialist, Sig. Alessandro de Tomaso, acquired two other prestige names in deep trouble, Guzzi and Benelli, while yet another, Ducati, passed into state control.

A marketing agreement this year has led to closer ties between Piaggio and the second largest producer by volume, Bianchi, which is expected to have produced 330,00 units last year.

At the same time, Piaggio itself moved in a sense into the orbit of Fiat, Italy's largest industrial group. This was a consequence of the marriage between Sig. Umberto Agnelli, Fiat's deputy chairman, and Senorina Antonella Piaggio, the main family heiress.

The block of shares passed to their son when the marriage broke up, and Sig. Agnelli became trustee for the holding (said to represent 35 per cent of Piaggio's L14bn capital) as well as president of the group. But, according to Piaggio, the Fiat connection stops there, and in terms of management, as well as psychologically, the two are entirely separate.

That Piaggio has maintained an all important major home base is a reflection of two factors: the strict limitation on imports of machines below 380 cc capacity from Japan, to a ceiling of 1,200 a year, and the unique Vespa scooter, unchanged in concept since its introduction just after World War II, and one of the first symbols of the country's post-war recovery.

The Vespa still accounts for 45 per cent of Piaggio's total output. A further 45 per cent are mopeds, and during 1979 Italy overtook France, which has manufacturers like Peugeot and Motobecane, to become Europe's leading moped producer.

In fact, the Japanese threat is most felt by the De Tomaso companies, which are heavily involved in more powerful machines, over 380cc, where imports are not curtailed. Beyond that limit, Japanese marques account for more than 80 per cent of the Italian market, a share similar to that held in other European countries.

Nonetheless, the de Tomaso companies are also profitable, and form a base from which the industrialist can realistically offer his promised challenge to the Japanese by lifting production of 350cc and 500cc models to between 60.000 and 80,000 a year.

Economic purists may loudly protest at the blatant protectionism employed by Italy (for cars as well as motorcycles) to ward off the threat from the Far East. But what has happened in Britain, to a once glorious domestic industry, has not been forgotten here.

In 1978, about 32 per cent of a total Italian output of 1.17m mopeds, scooters and motorcycles was exported. For Piaggo alone, the proportion of sales abroad was around 43 per cent, despite difficulties in traditional Far Eastern markets like Indonesia. The sector contributed that year a surplus of L260bn to Italy's foreign trade accounts — an advantage that will certainly not be put at risk by a dose of economic idealism more akin, in all probability, to economic suicide.

SBC bond issue priced above par

By Our Financial Staff

A COUPON of 5 per cent, a maturity of 12 years and an issue price of 100.5 per cent were set for the SwFr 100m issue by the Swiss Bank Corporation, Reuter writes from Basle. Subscriptions are open until February 4.

The issue is the first on the Swiss capital market, domestic or foreign-denominated, whose conditions have not been finalised several days before the beginning of the official subscription period.

The volatility of the Swiss capital market in recent months has made it advisable for the issuing banks to narrow the time lapse between finalisation of the conditions and beginning of the subscription period.

Creditbank payment

FIRST DEN Norske Creditbank, Norway's largest commercial bank, proposes to pay a 12 per cent dividend for 1979, 1 per cent up on 1978, writes Fay Gjester from Oslo. The maximum allowed under present regulations is 12 per cent. Other details of the 1979 results are not yet available, but the bank says the year saw a significant rise in deposits, and liquidity was good through most of the year. Operating results are described as satisfactory.

Esso AG upsurge

Esso AG, the West German subsidiary of Exxon of the U.S., reports that 1979 net earnings will total around DM 400m ($230m), up 58 per cent. The higher profits put the company on a healthy basis for 1980, but, the board warns that it would be a "hard and unpredictable year, AP-DJ writes from Hamburg. Sales totalled DM 15.5bn in 1979, up from DM 12.5bn.

ASEA to pay more

Swedish heavy electrical group ASEA plans to raise its 1979 dividend by SKr 1 to SKr 6 and confirms that earnings for 1979 will show an improvement, Reuter writes from Sweden. In a brief announcement, ASEA said no "unusual matters" would be put before shareholders at the March 17 annual meeting.

Moevenpick dividend

CATERING group Moevenpick expects to pay an unchanged 14 per cent dividend for the year ending March 31, 1980, despite reduced cash flow.

Exports boost sales at Ferodo

BY TERRY DODSWORTH IN PARIS

STRONG EXPORTS growth combined with the establishment of new overseas divisions were two of the main factors behind a sales increase well in excess of inflation reported by Ferodo, the French vehicle components group, yesterday.

Taking account of acquisitions brought into the year's accounts, the company's consolidated turnover went up by 25 per cent to FFr 6bn ($1.5bn) while on a strictly comparable basis, the increase amounted to 15 per cent This compares with an inflation rate in France of 11.8 per cent in 1979.

No figures were given for group profits. But Ferodo said at the half-year point in 1978 that it expected these to improve and the parent company added yesterday that it would be increasing its dividends

This improved performance from Ferodo follows a long period of reorganisation in the French vehicle components industry which has seen the group emerge as the main manufacturer in the sector. Last year it consolidated its position by taking a half-share in Ducellier, the electrical components concern in which Lucas of the UK also has a 50 per cent stake.

Ferodo's sales at present are growing much faster than the rate of French or European vehicle output, demonstrating how the concentration of component production in France has helped the group. But it has also benefited from its technical strength in car radiators and vehicle lighting where it is the European leader with its Cibie marque.

Cibie, in particular, has been leading the group's overseas expansion, which has led to the establishment of two new companies this year, SEV Corporation in the U.S. and SEV Japan.

M. Andre Boisson, Ferodo's chairman, says in a letter to shareholders that the group is now developing its position in the electronic sector with the creation of a new specialist division within the SEV subsidiary. This will have a turnover of about FFr 100m in 1980.

M. Boisson forecasts another significant advance in turnover this year to about FFr 7bn. The group is expecting to achieve healthy growth in the component replacement market, he says, and also overseas in the U.S., Japan and Brazil.

He also expects the non-vehicle-related activities, which acounted for 16 per cent of sales last year, to continue to expand.

Moet-Hennessy earnings rise

BY DAVID WHITE IN PARIS

REPORTING a rise of 20 per cent in the sales and forecasting an even bigger increase in profit, the diversified champagne, cognac and perfume group Moet-Hennessy said prospects for the current year were "encouraging" despite France's unpromising economic outlook.

Group turnover rose from FFr 1.92bn to FFr 2.29bn ($564m) in 1979, including an 18 per cent increase in champagne sales, which passed the FFr 1bn mark for the first time.

Cognac sales picked up after a series of difficult years, showing a 25 per cent increase in value at FFr 603m. Of the 20m bottles sold, 96 per cent were exported. Turnover in perfume and beauty products, including the Dior and Roc trade-marks, showed a 16 per cent increase to FFr 654m, and a new export drive is expected to improve results this year.

The rise in earnings should be "considerably sharper" than the sales increase, Moet-Hennessy said. Total group earnings in 1978 were FFr 104.5m at the net level.

The company proposes an initial net dividend payment of FFr 6, up from FFr 5 at the same time last year. This was followed up last year by a further dividend of FFr 5.50.

* * *

THE DOMESTIC French airline, Air Inter, has confirmed that it plans to introduce its shares on the Paris Stock tious expansion plan which helped it to achieve record results last year, writes Terry Dodsworth from Paris.

Outlining this project, however, M. Robert Vergnaud, the chairman, told shareholders that the quotation may not be sought this year. This is because the company was originally aiming for even better results than it achieved after being hit by the long drawn-out French air-controllers' dispute late last year.

State interests, in the form of Air France, the SNCF railway and the Caisse des Depots et Consignations financial group control 50 per cent of Air Inter's capital. Most of the rest belongs to the UTA airline and Compagnie de Navigation Mixte, a shipping group which recently bought out the stake of Suez Finance.

Setback for German bank

BY OUR FINANCIAL STAFF

BUSINESS volume expanded in line with expectations at Bayerische Landesbank Girozentrale in 1979 but operating results could well show a reduction.

Herr Ludwig Huber, the bank president, said yesterday that business volume grew by DM 9.2bn last year to around DM 77.5bn, or 13.5 per cent more than at end 1978. He gave no profit figures, either for the year under review or for 1978.

Balance sheet growth has been constant since the bank was formed in 1972, with annual increases of around 13 per cent, and 1979 "has proved no exception." The Landesbank is satisfied with the expansion in its credit business, not only in terms of quantity but also in terms of quality, Herr Huber declared.

Credit volume rose by more than DM 7bn last year to DM 52bn, or 16 per cent above the previous year's total. Falling interest margins and securities write downs "markedly squeezed" the bank's operating earnings during 1979.

SIP spending programme

By Paul Betts in Rome

SIP, the Italian state telephone utility, is to invest L2,250bn ($2.8bn) this year as part of an ambitious five-year investment programme.

Senior SIP officials indicated yesterday that this would enable the company to connect 800.000 new subscribers to its service. During the last two years, SIP has connected between 600.000 and 650,000 subscribers a year to its national telephone net work, failing to satisfy much higher demand.

Transatlantic losses hamper Icelandair

BY JON MAGNUSSON IN REYKJAVIK

ICELANDAIR, Iceland's only commercial air carrier, is reported to have suffered heavy losses on its transatlantic operations in 1979.

The company has faced external problems in its transatlantic routes, caused by price wars, the deregulation policy of the U.S. Government, increasing fuel costs and finally the DC-10 affair, which grounded its only DC-10 during a crucial trading period.

The Icelandair management has taken drastic steps to meet the difficulties. It has trimmed its staff, leased the DC-10 for three years to Air Florida, put one of its three DC-8s and one Boeing 727 up for sale and streamlined its internal fleet of Fokker Friendship F-27s.

Mr. Sigurdur Helgason, the managing director, is optimistic that the company will pull through its difficulties in time, but the going will be rough for the present.

Icelandair operates two hotels in Reykjavik, a car-rental service and a string of other tourist-orientated services. It also has a 57 per cent interest in the successful Icelandic air charter company, Eagle Air; controlling interest in Air Bahamas and one-third interest in the Luxembourg cargo airline Cargolux.

* * *

FINNISH forest products and engineering group Tampella is to raise the equivalent of $24.5m through a one-for-two rights issue at par, writes Lance Keyworth from Helsinki.

Having hired off unprofitable investments and completed a rationalisation and modernisation programme, Tampella is now in an expansive phase and profitability has improved. The increasing volume of activity makes it "timely and warranted" to raise capital, a company spokesman said.

* * *

NORDIC Investment Bank has raised DKr 40m ($7.4m) outside the Danish capital market by private placement over 10 years. The loan is not stock exchange listed, "but the interest rate is considerably lower than the Danish Government is paying for loans of similar maturity."

The bank's borrowings in Nordic currencies amount to about 25 per cent of its total loan portfolio. In its first three years trading NIB has granted loans for investment projects totalling the equivalent of FMk 1.27bn ($345m) and export credits of FMk 180m.

BANKRUPTCY OF FISH WHOLESALER

Hokusho asks court for protection

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

HOKUSHO, a privately-owned fish wholesaling company enjoying close business relations with Mitsubishi Corporation, became the seventh largest bankruptcy in Japanese history yesterday as a result of an unsuccessful attempt to corner the market for herring roes.

The company sought protection from its creditors after running up at least Y50bn ($210m) of debts with fishing co-operatives and other trading concerns, including Mitsubishi. Its assets include several hundred tons of Kazunoko (herring roe), a traditional delicacy eaten during the Japanese New Year but virtually unsaleable at other seasons.

Hokusho, a fast growing and aggressively managed wholesaling concern, partially cornered the market for herring roes in 1977 and again in 1978. Last year, in partnership with two other companies it bought up roughly half of the 6,000 tons of roes imported into Japan for the New Year holiday selling season. The wholesale price of roes hit Y14,000 per kilo in December (double the 1978 level and four times that of 1977), but Hokusho was able to unload only a small portion of its stock onto the market.

The price of herring roe today is about Y8,000 per kilo, Y3,000 below the level at which Hokusho reportedly bought most of its stocks, but this is a largely theoretical figure. Some 85 per cent of all the herring roes sold in Japan changes hands in December, with the remaining 15 per cent of sales spread over the rest of the year.

Hokusho's major creditors include the Hokkaido Fisheries Association, a fishing co-operative which is itself undergoing financial reconstruction, the Mitsubishi Corporation, reportedly owed about Y4bn, and some 20 or 30 small trading concerns which are owed between Y50m and Y100m each.

The company's failure will have little finaricial impact on Mitsubishi, but could have very serious implications for smaller creditors. A chain reaction of bankruptcies among smaller fish wholesalers is a possible consequence of the bankruptcy.

Hokusho is not the first Japanese trading company to try to corner a basic commodity, and to come to grief as a result. Attempts to corner the market for rice became a major political issue in the early 1970s.

Sharp gain at Japanese bearings maker

By Yoko Shibata in Tokyo

NACHI - FUJIKOSHI Corporation, Japan's fourth largest manufacturer of ball bearings, boosted its operating profits by 669.4 per cent to Y2.94bn ($12.28m) for the year to last November. Net profits rose by 150 per cent to Y1.26bn, on sales of Y71.72bn, up 13.3 per cent. Profits per share were Y9.43, compared with Y3.85 a year earlier. The dividend was lifted from Y4 to Y5.

With the motor industry's swing towards fuel economy cars demand for bearings, especially for axle bearings, was strong. Bearings sales gained 7.2 per cent, to account for 41.9 per cent of total turnover. Reflecting a high level of capital investment, mainly for rationalisation and energy saving, sales of tools rose by 7.3 per cent, to account for 23.9 per cent of the total; sales of machine tools rose by 6.8 per cent to account for 8.2 per cent; and sales of hydraulic equipment rose by 21.3 per cent to account for 14.8 per cent. Ball-bearing, tool and hydraulic equipment plants all operated at full capacity.

Exports, which accounted for 18.5 per cent of the total sales declined by 4.6 per cent, but export profitability recovered with the yen depreciation.

The effects of increased production as well as the recovery of export profitability accounted for the buoyancy of earnings. The company increased prices without meeting opposition from customers, which also contributed to the upsurge of earnings. Efforts not to accept orders below cost when the yen was high on exchange markets paid off in the year, according to the company.

For the current fiscal year, Fujikoshi foresees continuing strong demand for bearings, tools and hydraulic equipment, supported by high capital investment in rationalisation. Operating profits for the year are expected to reach Y4bn, up 36 per cent. Net profits should reach Y1.8bn, up 43 per cent, on sales of Y84bn, up 17 per cent.

Algerian debt service ratio falls

By Francis Ghilès

ALGERIA'S hard currency income from the sale of oil and natural gas rose by 56.5 per cent to reach $9.7bn last year. At the same time the debt service ratio, as a percentage of exports, dropped from 1978's figure of 25.1 per cent to 22 per cent. This figure is expected to fall further this year.

The decline can be expected to continue as the price of crude oil has increased further in recent weeks. It could fall dramatically if the Algerian state oil and gas company, Sonatrach succeeds in its bid to double the price of some of the gas it sells abroad to $5-6 per British Thermal Unit.

Even if the Algerians do not quite reach their aims, a large increase in the gas price is regarded as inevitable in international gas circles. Algeria has also already reduced the amount of money it raises in the international capital markets. Last year it arranged $1.8bn of loans, a sharp fall on the previous year's figure of $2.5bn. With the reduction in capital spending in heavy industrial projects recently announced by the Algerian authorities, Sonatrach and other state companies are unlikely to resort to heavier borrowings abroad than last year, rather the contrary.

Thus, Algeria's debt service which only nine months ago was still projected to rise to a peak in 1984-85, may turn out to have peaked in 1978.

German stake in NSW smelter

BY JAMES FORTH IN SYDNEY

WEST GERMANY'S largest aluminium producer and the local offshoot of a Dutch industrial and aluminium fabricating group are joining a consortium which plans to build a A$500m (U.S.$556m) aluminium smelter near Newcastle, New South Wales. The German group, Vereinigte Aluminium - Werke (VAW) will take a 12 per cent stake, while Hunter Douglas Australia will have a 3 per cent interest.

They will join a consortium headed by the French group Pechiney, which received approval from the state government for its smelter ahead of a proposal from Swiss Aluminium and the Australian group Gove Alumina, which is 51 per cent owned by the industrial and mining group CSR.

The decision was controversial, because the Gove proposal was further advanced and the smelter would have been Australian-managed. Pechiney subsequently announced that it would build its smelter on a site over which Gove Alumina held on option, and that Gove Aluminia would join its project.

Perchiney and Gove Alumina were each to have a 35 per cent stake, with the life office, the Australian Mutual Provident Society, owning another 15 per cent. Negotiations have been under way since November for foreign interests to acquire the remaining 15 per cent.

Hunter Douglas Australia, which manufactures aluminium household products including venetian blinds and furniture, is 66 per cent owsed by Hunter Douglas NV of the Netherlands.

Pechiney already has associations with both VAW and Hunter Douglas. Pechiney and VAW each have an interest in an alumina refinery in the African republic of Guinea, while the French group and Hunter Douglas are partners in an aluminium smelter in Holland. The NSW smelter, which will have a capacity of 220,000 tonnes of aluminium a year, is due to come on stream in 1983.

Further recovery at Trust Bank

BY JIM JONES IN JOHANNESBURG

TRUST BANK, South Africa's fifth largest bank, is continuing its recovery from the difficulties which led to a suspension of dividend payments, management changes and a lowering of confidence in the bank's future three years ago.

For the six months to December 30, the bank has reported a taxed profit, after transfers to hidden reserves, of R5.2m (US$6.4m). This compares with R1.5m for the corresponding period of 1978 and R3.2m for the year to June 30, 1979. While the board estimates that second-half earnings will probably show a repeat of the first half, many Johannesburg analysts believe that a further improvement is likely.

However, the board cautions that a resumption of dividend payments is unlikely this year. Of the first half's R5.2m taxed, disclosed earnings, R1.8m was used to pay preference dividends and the remaining R3.4m was transferred to disclosed reserves. This policy is likely to continue for the next couple of years, as the bank needs to establish a larger disclosed capital base if its deposit accepting ability is not to be limited.

The bank's large property exposure was one of the principal reasons for the setbacks of 1976. And despite assistance last year from the South African Reserve Bank, property remains a restraint on earnings growth. On several significant industrial and commercial properties, yields are both too low for sales to be made to other institutions or to make any significant contribution to the Bank's own earnings.

Thus, over the coming years, earnings growth will be closely related to the performance of banking operations. In Johannesburg, the shares are currently trading in the 120 cents range, reflecting the unlikelihood of a dividend resumption until 1982, but also the improving profit situation.

Record rise by Sembawang Shipyard

By Georgie Lee in Singapore

SEMBAWANG SHIPYARD, one of Singapore's major ship repair yards has chalked up a record rise of 83 per cent in 1979 group pre-tax profits to S$50.15m (US$23.26m). On a post tax basis, group profit was 65 per cent higher at S$29.15m.

Sembawang in which the Singapore government has a majority stake, has raised its first and final gross dividend from 12.5 per cent to 20 per cent.

No reasons were given by the company for its spectacular performance but Sembawang appeared to be enjoying full capacity utilisation and higher ship-repair prices.

The group also announced that it has decided to invest in a new 150,000 dwt floating dock costing S$70m to expand capacity. Semabawang said that the expansion will be financed from its own funds. The new facilities are expected to be operational in the second half of 1981.

Sembawang Shipyard was established by the Singapore Government to take over the British naval dockyard in Singapore in December 1968 following the withdrawal of British forces from Singapore. The dockyard was converted into a commercial shipyard with the assistance of Swan Hunter International which helped to manage the shipyard until 1973.

Fujian bonds on sale in Hong Kong

By Anthony Rowley in Hong Kong

FUJIAN PROVINCE, one of the two spearheading China's modernisation drive, has begun issuing bonds in the Fujian capital of Fuzhou and in Hong Kong, the official New China News Agency has confirmed.

This marks the first bond issue outside China and available to foreigners since the founding of the People's Republic of China in 1949. The issuer is the Fujian Investment and Enterprise Corporation and the purpose is to raise funds for Fujian's light industrial development.

The bonds, which are designated in Renminbi, the Chinese "people's currency" in denominations of 500 yuan, 5,000 yuan, and 50,000 yuan, will be issued by the Bank of China in Fujian and by the Bank of China together with "other entrusted banks" in Hong Kong. There had been some uncertainty over whether the bonds would be issued in Hong Kong, but the agency announcement confirms it.

YONTOBEL EUROBOND INDICES

14.5.76=100%

PRICE INDEX	22.1.80	29.1.80	AVERAGE YIELD	22.1.80	29.1.80
DM Bonds	96.59	96.40	DM Bonds	8.014	[illegible]
HFL Bonds & Notes	93.81	93.85	HFL Bonds & Notes	9.563	[illegible]
U.S. $ Strt. Bonds	87.70	86.77	U.S. $ Strt. Bonds	11.335	[illegible]
Can. Dollar Bonds	88.63	87.85	Can. Dollar Bonds	12.054	[illegible]

A copy of this Prospectus, having attached thereto the written consent of Safferys and copies of the contracts listed below under the heading "Contracts", has been delivered to the Registrar of Companies for registration.
This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Child Health Research Investment Trust Limited ("the Company"). The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.
Application has been made to the Council of The Stock Exchange for the Ordinary Shares of £1 each in the Company to be admitted to the Official List.

The Subscription Lists for the Ordinary Shares now being offered will open at 10 a.m. on Tuesday, 5th February, 1980 and may be closed at any time thereafter.

Child Health Research Investment Trust Limited

(Incorporated in England under the Companies Acts 1948 to 1976 with registered number 1466976)

THIS PROSPECTUS IS PUBLISHED IN CONNECTION WITH THE

Issue to the Public

OF

500,000 ORDINARY SHARES OF £1 EACH AT £1 PER SHARE payable in full on application

The Trustees of The Child Health Research Appeal Trust have undertaken to subscribe at par for the Loan Notes. The issue of the Ordinary Shares has been underwritten.

DIRECTORS

SIR JOHN NICHOLSON HOGG (Chairman)
67 Lombard Street, London EC3P 3DL
Deputy Chairman of Williams & Glyn's Bank Limited and Chairman of the Trustees of The Child Health Research Appeal Trust

ANTHONY JOHN STANHOPE DUCKWORTH
2 Eaton Place, London SW1X 8AD
Director of Broadstone Investment Trust Limited

ERIC CARL ELSTOB
14 Fournier Street, London E1 6QE
Director of F. & C. Management Limited

JEREMY PEMBERTON
16 Albany, Piccadilly, London W1V 9RP
Formerly a Managing Director of Baring Brothers & Co., Limited; a Trustee of The Child Health Research Appeal Trust

LEOLIN PRICE, Q.C.
10 Old Square, Lincoln's Inn, London WC2A 3SU
A Trustee of The Child Health Research Appeal Trust

DENZIL CHARLES SEBAG-MONTEFIORE
South House, Broadham Green, Oxted, Surrey
Member of The Stock Exchange

RICHARD CHICHELEY THORNTON
Park House, 16 Finsbury Circus, London EC2M 7DJ
Director and shareholder of G.T. Management Limited and Chairman of G.T. Management (Asia) Limited

SHARE CAPITAL

Authorised		Issued and now being issued fully paid
£500,000	In 500,000 Ordinary Shares of £1 each	£500,000

LOAN CAPITAL

Authorised		Issued and proposed to be issued fully paid
£200,000	Loan Notes	£200,000

Save as aforesaid the Company has no loan capital (including term loans) outstanding or created but unissued, no mortgages or charges, other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments or guarantees or other material contingent liabilities.

MANAGER
G.T. MANAGEMENT LIMITED
Park House, 16 Finsbury Circus, London EC2M 7DJ

RECEIVING BANKERS TO THE ISSUE
WILLIAMS & GLYN'S BANK LIMITED
67 Lombard Street, London EC3P 3DL

SOLICITORS
SLAUGHTER AND MAY
35 Basinghall Street, London EC2V 5DB

BROKERS
CAZENOVE & CO
12 Tokenhouse Yard, London EC2R 7AN
and The Stock Exchange

REGISTRARS AND TRANSFER OFFICE
WILLIAMS & GLYN'S REGISTRARS LIMITED
16 Old Broad Street, London EC2N 1DL

AUDITORS
SAFFERYS, *Chartered Accountants*,
St. Martins House, 16 St. Martin's-le-Grand, London EC1A 4EP

SECRETARY AND REGISTERED OFFICE
MICHAEL BENTLEY BEARD
Park House, 16 Finsbury Circus, London EC2M 7DJ

The Company

The Company was formed on the initiative of the Trustees of The Child Health Research Appeal Trust ("the Trustees") and G.T. Management Limited ("GT") as an investment trust with a capital structure consisting of Loan Notes and Ordinary Shares. This capital structure is designed to entitle the Trustees, as holders of the Loan Notes, to receive all the net income from the capital invested by the holders of the Ordinary Shares and by themselves as holders of the Loan Notes while the holders of the Ordinary Shares will be entitled to the full benefit of all capital appreciation.

The Loan Notes carry the right to receive all the net income of the Company in each financial year of the Company and to repayment at par on the winding up of the Company in priority to any payment made to the Ordinary Shareholders. The Loan Notes carry no other rights to participate in the assets of the Company.

The Ordinary Shares are entitled to the benefit of all capital appreciation resulting from the Company's investments. They will not be entitled to any dividends or to any income while the Loan Notes are outstanding.

Under the provisions of the Articles of Association of the Company, the Directors are required to convene an extraordinary general meeting of the Company in January 1987 at which a resolution will be proposed to wind up the Company: the Ordinary Shareholders are bound to vote in favour of that resolution. In addition, the Articles of Association require the Directors of the Company to propose at each annual general meeting of the Company a resolution to the effect that an extraordinary general meeting be convened as soon as practicable thereafter for the purpose of considering a resolution to wind up the Company.

The Stock Exchange prices of ordinary shares in investment trust companies and of capital shares in split-level investment trusts do not generally reflect fairly the market value of the underlying assets attributable to them. Factors influencing the price of the Ordinary Shares of the Company will include the value of the underlying assets, the Company's capital structure, the lack of income and the remaining life of the Company. The Directors believe that, by limiting the life of the Company to a period of seven years in the manner referred to above and by requiring the consideration each year of a resolution which could lead to the winding up of the Company, the difference that one might otherwise expect to see between The Stock Exchange price of an Ordinary Share and the market value of the attributable underlying assets ought to be greatly reduced.

The Trustees have agreed to subscribe in cash at par for, and the Company has agreed to issue to the Trustees, £200 nominal of Loan Notes for every 500 Ordinary Shares issued pursuant to this offer. The issue of the Ordinary Shares now being offered has been underwritten by Cazenove & Co.

Investment Policy

It is the policy of the Directors that the funds of the Company should be managed in a manner which throughout the life of the Company is even handed as between the Ordinary Shareholders as a class on the one hand and the holders of the Loan Notes on the other. Within the limits set by that policy the Directors will seek to maximise capital appreciation and will also seek to achieve, initially, an overall gross yield on the Company's assets, after running expenses and interest, but before taxation, of 5 or 6 per cent. per annum or thereabouts.

There will be no geographical restriction on the investments to be made by the Company nor will there be any such restriction by reference to the industrial classification of such investments. It will be the policy of the Directors that the assets of the Company should remain fully invested but general market conditions may make it advisable from time to time for the Company to maintain a substantial level of liquidity.

It is the intention of the Directors to ensure that the Company will satisfy the conditions for approval as an investment trust laid down in Section 359 of the Income and Corporation Taxes Act 1970 (as amended).

Not more than 10 per cent. of the assets of the Company or, if the Company has any subsidiaries, of the Company and its subsidiaries ("the Group") (before deducting borrowed money) will be lent to or invested in the securities of any one company (other than those of a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed) including loans to or shares in any subsidiary of the Company.

Not more than 15 per cent. of the assets of the Company or, if the Company has subsidiaries, of the Group (before deducting borrowed money) will be invested in (a) securities not listed on any recognised stock exchange (for which purpose securities dealt in "over-the-counter" in the United States of America and Canada will be treated as listed securities), or (b) holdings in which the interests of the Company and any subsidiary of the Company exceed 20 per cent. of the aggregate of the equity capital (including any capital having an element of equity) of any one listed company (other than a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed).

The distribution as dividends of surpluses arising from the realisation of investments is prohibited by the Company's Articles of Association.

When it is proposed to acquire non-sterling securities, the Manager will have regard to the relative strength of the foreign currency in which the securities are denominated as against sterling. If and for so long as it is the Manager's assessment that sterling is likely to be the stronger currency in the exchange markets, it would be the current policy of the Manager, subject as mentioned below, to seek to finance the acquisition and holding of such securities by borrowings in that foreign currency. The effect of such an arrangement would be to reduce or eliminate the risk of a loss arising by the decline of that foreign currency against sterling since any decline in the foreign currency represented by such securities would be matched by a corresponding decline in the Company's liability in sterling terms to repay the foreign currency borrowed. Conversely such an arrangement would mean that the Company would not benefit from any appreciation of the foreign currency against sterling. If, however, such appreciation was considered by the Manager to be likely, it would be the current policy to finance the acquisition of the securities by purchasing the foreign currency required with sterling.

When foreign currency borrowings are effected in such circumstances, it would be the current policy of the Directors to retain on deposit in sterling or to retain invested in United Kingdom government securities an amount broadly equivalent to the foreign currency borrowed. The effect of this would be to increase the income of the Company for so long as the sterling interest rates attainable exceeded the interest rates payable on the foreign currency borrowings. The Directors would not, however, seek to finance the acquisition and holding of foreign currency securities by borrowings in that foreign currency if interest rates changed in such a way as to have a detrimental effect on the Company's income.

Initially the Directors expect that some fifty to sixty per cent. of the net subscription moneys will be invested in equities of United Kingdom companies. The balance would be held in United Kingdom government securities or retained on deposit in sterling to match foreign currency borrowings of an equivalent amount which the Directors expect to take up to finance the acquisition of equity and debt securities of overseas entities.

Management

The Company will be managed by G.T.

G.T. at present manages The Berry Trust Company Limited, G.T. Japan Investment Trust Limited and The Northern Securities Trust, Limited, all of which are United Kingdom investment trust companies listed on The Stock Exchange. Through offices in London, San Francisco and Hong Kong the G.T. Management group manages, or advises on the investment of, assets valued at approximately £350 million which are invested on an international basis. Members of the group act as investment managers for investment trusts, unit trusts, pension funds, other financial institutions and individuals.

The principal shareholders in G.T. are The Berry Trust Company Limited which owns approximately 37 per cent. of its issued share capital, Mr. W. T. J. Griffin, the Chairman of G.T., and Mr. Thornton, each of whom is interested in approximately 15 per cent. of G.T.'s issued share capital.

The Child Health Research Appeal Trust

The Child Health Research Appeal Trust was established in 1976 to receive and administer appeal funds raised to finance research into child health and diseases of children at—

The Institute of Child Health
and
The Hospitals for Sick Children.

The Institute (part of the University of London) is the postgraduate medical school at the Hospital for Sick Children, Great Ormond Street, London WC1.

The Trust is registered as a charity, number 271834. The Trustees are:

- Sir John Hogg (Chairman), who is Treasurer of the Institute.
- Mr. Price, who is Chairman of the Institute and a Governor of the Hospitals for Sick Children.
- Mr. Pemberton, who is a member of the Institute's Committee of Management and was formerly a Governor of the Hospitals for Sick Children.
- Professor J. A. Dudgeon, who is Dean of the Institute and a Governor of the Hospitals for Sick Children.
- Mrs. Audrey Callaghan, who is Chairman of the Board of Governors of the Hospitals for Sick Children.
- Lord Scarman, who is a *Lord of Appeal in Ordinary* and Chairman of the Court of the University of London.

Fees and Expenses

Each of the Directors of the Company has agreed to act as a Director without receiving any fee.

The Manager has agreed to act as manager of the Company and to provide the services required of it as manager without receiving any fee.

Cazenove & Co. has agreed to underwrite the issue and arrange for the listing of the Ordinary Shares without receiving any fee. Commission of 1¼ per cent. will, however, be payable by the Company to sub-underwriters through Cazenove & Co. in respect of the sub-underwriting of the issue and will amount in the aggregate to £6,250.

Williams & Glyn's Bank Limited will not be charging a fee in respect of its duties in receiving applications and subscription moneys. Safferys will not be charging a fee in respect of their report set out below and the accountancy services provided in connection with this issue. Dewe Rogerson Limited have agreed to act as advertising agents in connection with the issue without receiving a fee.

The Company will pay the preliminary expenses which are estimated to amount to £200. The Company will also pay the expenses of the issue, including companies' capital duty of £7,000, advertising costs, printing costs, legal expenses, Stock Exchange listing fees and the costs and expenses of the Registrars which, together with the sub-underwriting commission referred to above and value added tax where applicable, are estimated to amount to £31,000. These expenses and the sub-underwriting commission will be charged to capital reserve.

Accounts

The first accounts of the Company will be for the period from the date of incorporation to 31st December, 1980 inclusive.

Auditor's Report

The following is a copy of a report received from Safferys, Chartered Accountants, the auditors of the Company:—

St. Martins House,
16 St. Martin's-le-Grand,
London EC1A 4EP.
29th January, 1980

To the Directors,
Child Health Research Investment Trust Limited.

Gentlemen,

We report that your Company was incorporated on 14th December, 1979. No accounts have been made up, no dividends have been declared or paid, nor has your Company commenced business.

Yours faithfully,
SAFFERYS.

Taxation

The Directors consider that the Company is unlikely to be a close company immediately following the completion of the issue now being made. On the basis that the Company is approved as an investment trust in accordance with section 359 of the Income and Corporation Taxes Act 1970 (as amended), any chargeable gains realised by the Company will, under the existing system, be chargeable to corporation tax at the rate of 10 per cent. Under existing legislation, a shareholder disposing of his Ordinary Shares in the Company will be entitled to a tax credit of up to 10 per cent. of the amount of any gain.

STATUTORY AND GENERAL INFORMATION

Share Capital

The Company was incorporated in England under the Companies Acts 1948 to 1976 on 14th December, 1979, with an authorised share capital of £2 divided into 2 Ordinary Shares of £1 each. At an extraordinary general meeting held on 29th January, 1980 resolutions were passed:—

(i) increasing the authorised share capital of the Company to £500,000 by the creation of 499,998 Ordinary Shares of £1 each, and

(ii) adopting a new objects clause in its Memorandum of Association and new Articles of Association and converting the Company into a public company.

Two Ordinary Shares of the Company have been issued for cash at par and are presently beneficially held by the Trustees. These shares are included in the shares being made available under the issue to the public.

Articles of Association

The Articles of Association of the Company contain (*inter alia*) provisions to the following effect:—

Directors

(i) The Directors are not entitled to receive any remuneration or fees but each Director may be repaid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director.

(ii) A Director is not required to hold any shares in the Company to qualify for the office of Director.

(iii) A Director need not retire upon reaching the age of seventy.

(iv) Subject to certain exceptions a Director may not vote in respect of any contract or arrangement in which he has any material interest other than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director may not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking property and assets (both present and future) including uncalled capital. The aggregate amount for the time being owing by the Group in respect of any moneys borrowed by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) may not at any time, without the prior sanction of the Company in General Meeting, exceed a sum equal to twice the Adjusted Capital and Reserves (as defined in the Articles).

Capital Reserve

The Directors shall credit to a Capital Reserve all moneys realised on the sale of any investments in excess of the book value of the same. Such Capital Reserve and all other moneys in the nature of accretion to capital shall be treated as capital moneys and not as profits available for dividend.

Duration of the Company

The Directors shall at any time on or after 1st January, 1987 and before 31st January, 1987, convene an extraordinary general meeting of the Company and procure that a resolution will be proposed thereat pursuant to section 278(1) of the Companies Act 1948 requiring the Company to be wound up voluntarily. Every shareholder present in person or by proxy and entitled to vote is required to vote in favour of such resolution. Additionally, the Directors shall propose at each annual general meeting of the Company a resolution to the effect that an extraordinary general meeting be convened as soon as practicable thereafter for the purpose of considering the passing of a resolution to wind up the Company voluntarily.

Voting

On a show of hands every member who is present in person at a general meeting of the Company shall have one vote and on a poll every member present in person or by proxy shall have one vote for every £1 nominal amount of ordinary share capital of which he is the holder.

The Loan Notes

The Loan Notes will be issued pursuant to a Resolution of the Board of Directors of the Company passed on 29th January, 1980. The maximum amount authorised is £200,000. The Notes will be issued to the Trustees but will be freely transferable. The Notes will entitle the holders to interest of amounts equal to the net income of the Company which is defined in the Notes as being the net income for the applicable accounting period determined in accordance with generally accepted accounting principles before deducting interest payable on the Notes but after deducting taxation and charges on income and after making all other deductions all as shown in the audited profit and loss account for such period but after making such adjustments (if any) as the auditors of the Company consider appropriate. Interest on the Notes will be paid on account on 30th June and 31st December in each year and the amount of each such payment shall be the amount estimated by the Directors to be the net income accrued down to the date of payment and not previously distributed. Any balance will be paid after the accounts for the relevant accounting period have been laid before the Company in general meeting. The Notes will be redeemed at par on 30th January, 1987 or earlier on the liquidation of the Company or on the occurrence of certain events of default.

The Company will covenant in the Notes that it will not without the agreement of the Noteholders allot any further shares in the capital of the Company or declare or pay dividends on its share capital or make any capital distributions or reduce its share capital or alter its investment policy from that described in this document. The Notes will be in registered form and a register of the Notes will be kept by the Company.

Interest payable on the Notes will constitute a distribution or deemed dividend for United Kingdom tax purposes. Accordingly, the Company will not be able to claim relief for such interest in its tax computation and payments of interest will give rise to corresponding advance corporation tax liabilities.

Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company since incorporation and are or may be material:—

(i) Dated 29th January, 1980, between the Company (1) and G.T. (2) under which G.T. agreed to manage the Company for the period up to 30th January, 1987 without fee but with the Company being responsible for the Company's own expenses.

(ii) Dated 29th January, 1980, between the Company (1) and the Trustees (2) under which the Trustees agreed to subscribe for up to £200,000 nominal amount of Loan Notes to be issued by the Company.

(iii) Dated 29th January, 1980, between the Company (1) and Cazenove & Co. (2) whereby Cazenove & Co. agreed, subject to the Ordinary Shares of the Company being admitted to the Official List of the Council of The Stock Exchange not later than 8th February, 1980, to underwrite the issue of the 500,000 Ordinary Shares now being offered.

(iv) Dated 29th January, 1980 being a letter from Williams & Glyn's Bank Limited ("the Bank") in which the Bank stated that it was prepared to lend to the Company a sterling denominated multi-currency floating rate facility of the equivalent of £300,000 at an interest rate equal to one per cent. per annum above the cost to the Bank in the London inter-bank market of comparable funds, all moneys borrowed thereunder to be secured by assets having a market value of not less than 150 per cent. of the amount of the moneys borrowed.

General

(i) Save as disclosed herein:—
(a) no share or loan capital of the Company has been issued or agreed to be issued for cash or otherwise since incorporation, and
(b) no commissions, discounts, brokerage or other special terms have been granted by the Company since incorporation in connection with the issue of any of its share or loan capital.

(ii) No share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.

(iii) No further issue of share capital will be made without the prior approval of shareholders in general meeting.

(iv) The Company is not engaged in any litigation and does not have any claim of material importance pending or threatened by or against it.

(v) The minimum amount which, in the opinion of the Directors, must be raised by the issue of the Ordinary Shares in order to provide for the matters referred to in paragraph 4 (a) of the Fourth Schedule to the Companies Act 1948 is £500,000, made up as follows:—
(a) purchase price of property, nil;
(b) preliminary expenses and commissions, £7,387.50;
(c) repayment of moneys borrowed, nil;
(d) working capital, £492,612.50.

(vi) Sir John Hogg, Mr. Pemberton and Mr. Price are, as mentioned above, Trustees of The Child Health Research Appeal Trust who will be subscribing for the Loan Notes. Sir John Hogg is Deputy Chairman of Williams & Glyn's Bank Limited, who will act as receiving bankers and who will be lending money to the Company under contract number (iv) above, and a director of the ultimate holding company of Williams & Glyn's Registrars Limited who will act as the Company's registrars. Mr. Thornton, as mentioned above, is a director and shareholder of G.T. who will be managing the Company.

(vii) The Company does not have any subsidiaries.

(viii) There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed.

(ix) Save as disclosed herein, no Director has any interest, direct or indirect, in the promotion of or in any assets which have been acquired or disposed of by or leased to, the Company or are proposed to be acquired, disposed of by or leased to the Company.

(x) Save as disclosed herein, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.

(xi) No amount or benefit has been paid or given to the promoters by the Company since its incorporation and none is intended to be paid or given.

(xii) Safferys have given and have not withdrawn their written consent to the issue of this document with the inclusion therein of their Report set out above in the form and context in which it is included.

(xiii) Copies of the following documents will be available for inspection at the offices of Slaughter and May, 35 Basinghall Street, London EC2V 5DB, during usual business hours on any weekday (Saturdays excepted) until 14th February, 1980:—
(a) the Memorandum and Articles of Association of the Company;
(b) the contracts listed above; and
(c) the Report and written consent mentioned above.

Dated 30th January, 1980.

Procedure for Application

Williams & Glyn's Bank Limited is authorised to receive applications for the Ordinary Shares now being offered.

Application for the Ordinary Shares now being offered must be made on the application form provided and must be forwarded to Williams & Glyn's Bank Limited, New Issues Department, P.O. Box 425, 67 Lombard Street, London EC3P 3DL, with a remittance for the full amount payable on application and should arrive not later than 10 a.m. on Tuesday, 5th February, 1980. Applications must be for a minimum of 100 Ordinary Shares. Applications for 2,000 Ordinary Shares or less must be in respect of multiples of 100 Ordinary Shares. Applications for more than 2,000 Ordinary Shares but for 5,000 Ordinary Shares or less must be in respect of multiples of 200 Ordinary Shares. Applications for more than 5,000 Ordinary Shares must be in respect of multiples of 500 Ordinary Shares.

A separate cheque or banker's draft (drawn in sterling on a bank or branch thereof and payable in England, Scotland or Wales) representing payment in full on application must accompany each application. Cheques or drafts must be payable to "Williams & Glyn's Bank Limited" and crossed "Not negotiable".

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting to the Official List, on or before 8th February, 1980, the Ordinary Shares now being issued. Moneys paid in respect of applications will be returned if such listing is not obtained by that date and in the meantime will be retained by Williams & Glyn's Bank Limited in a separate account.

If any application is not accepted, the application moneys will be returned to the applicant through the post at the risk of the applicant. If the number of Ordinary Shares allotted is less than the number applied for, the balance of the application money will be so returned.

The Company reserves the right to present all cheques and drafts for payment on receipt and to withhold Allotment Letters and/or excess application moneys pending clearance of applicants' cheques. Due completion and delivery of the application form accompanied by a cheque will constitute an undertaking that the cheque will be paid on first presentation and attention is drawn to the declaration in the application form to that effect. Applications which do not fulfil the conditions stated in the application form and the prospectus may be rejected and the right is reserved to reject any application and in particular multiple or suspected multiple applications.

Allotment Letters will be renounceable up to and including 21st March, 1980. Share Certificates will be available on and after 18th April, 1980 and unclaimed Share Certificates will, on 16th May, 1980, be forwarded at the risk of the person(s) entitled thereto by ordinary post to the person(s) in whose name(s) the Ordinary Shares are to be registered or, in the case of joint holders, to the first named holder at his registered address or to the agent who lodged the Allotment Letter for registration. After 16th May, 1980, fully paid Allotment Letters will cease to be valid for any purpose whatsoever.

Copies of this Prospectus with application forms may be obtained from:—

G.T. Management Limited,
Park House,
16 Finsbury Circus,
London EC2M 7DJ.

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN.

Williams & Glyn's Bank Limited,
67 Lombard Street,
London EC3P 3DL.

and also at Williams & Glyn's Bank Limited, Mosley Street, Manchester and The Royal Bank of Scotland Limited, P.O. Box 27, 31 St. Andrew Square, Edinburgh and 98 Buchanan Street, Glasgow.

THE SUBSCRIPTION LISTS WILL OPEN AT 10 a.m. ON TUESDAY, 5th FEBRUARY, 1980, AND MAY BE CLOSED AT ANY TIME THEREAFTER.

This Form when completed should be forwarded to WILLIAMS & GLYN'S BANK LIMITED, New Issues Department, P.O. BOX 425, 67 LOMBARD STREET, LONDON EC3P 3DL and should arrive not later than 10 a.m. on 5th February, 1980 together with a cheque or banker's draft (drawn in sterling on a bank or branch thereof and payable in England, Scotland or Wales) made payable to "Williams & Glyn's Bank Limited" and crossed "Not negotiable". A separate cheque or draft must accompany each application which may not be considered unless these conditions are fulfilled.

Child Health Research Investment Trust Limited

(Incorporated in England under the Companies Acts 1948 to 1976 with registered number 1466976)

APPLICATION FORM

ISSUE OF 500,000 Ordinary Shares of £1 each at £1 per Share

Number of Shares applied for*	Amount enclosed
	£

* Applications may only be made for 100 Shares or multiples thereof up to (and including) 2,000 Shares and for multiples of 200 Shares thereafter up to (and including) 5,000 Shares. Thereafter applications may only be made in respect of multiples of 500 Shares.

To: CHILD HEALTH RESEARCH INVESTMENT TRUST LIMITED
Gentlemen,

Having paid to Williams & Glyn's Bank Limited the above-mentioned sum, being the amount of £1 per Share payable on application for the above-stated number of Ordinary Shares of £1 each, I/we offer to subscribe for that number of Shares and I/we agree to accept the same or any smaller number of Shares in respect of which this application may be accepted upon the terms of the Prospectus dated 30th January, 1980, and subject to the Memorandum and Articles of Association of the Company.

I/We authorise you to send a fully paid renounceable Allotment Letter in respect of such Shares and/or a cheque representing the return of any application moneys due to me/us by post at my/our risk to the (first) address written below and I/we hereby authorise you to place my/our name(s) on the Register of Members of the Company as the holder(s) of the said Shares so far as the same are not effectively renounced.

I/We declare and warrant that due completion of this Application Form accompanied by a cheque will constitute an undertaking by me/us that the cheque sent herewith will be paid on first presentation and any allotment to me/us is strictly on this understanding.

DATE .... 1980 SIGNATURE .... (1)

PLEASE USE BLOCK LETTERS

....	*Surname and Designation* (Mr., Mrs., Miss or Title)
....	*Forename(s) in full*
....	*Address in full*
....	(A Corporation should complete this Form under the hand of a duly authorised official who should state his capacity)

Joint Applicant(s) must sign below.

Please pin cheque/ draft here

(2) Signature ....
Surname and Designation (Mr., Mrs., Miss or Title) ....
Forename(s) in full ....
Address (in full) ....
....

(3) Signature ....
Surname and Designation (Mr., Mrs., Miss or Title) ....
Forename(s) in full ....
Address (in full) ....
....

(4) Signature ....
Surname and Designation (Mr., Mrs., Miss or Title) ....
Forename(s) in full ....
Address (in full) ....
....

Applicants are advised to allow two days for delivery through the post and to use First Class mail. The Company reserves the right to present all cheques for payment on receipt and to withhold Allotment Letters and excess application moneys pending clearance of Applicants' cheques.

No receipt will be issued for the amount paid on application but an acknowledgement will be forwarded in due course by fully paid renounceable Allotment Letter in respect of all or some of the Shares applied for and/or by return by cheque through the post of the application moneys or any surplus thereof.

BASE LENDING RATES

A.B.N. Bank	17 %	Grindlays Bank	‡17 %
Allied Irish Bank	17 %	■ Guinness Mahon	17 %
Amro Bank	17 %	■ Hambros Bank	17 %
American Express Bk.	17 %	■ Hill Samuel	§17 %
Henry Ansbacher	17 %	C. Hoare & Co.	†17 %
A P Bank Ltd.	17 %	Hongkong & Shanghai	17 %
■ Arbuthnot Latham	17 %	Industrial Bk. of Scot.	17½%
Associates Cap. Corp.	17 %	Keyser Ullmann	17 %
Banco de Bilbao	17 %	Knowsley & Co. Ltd.	18½%
Bank of Credit & Cmce.	17 %	Lloyds Bank	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
■ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Co-operative Bank	*17 %	Twentieth Century Bk.	17 %
Corinthian Secs.	17 %	United Bank of Kuwait	17 %
The Cyprus Popular Bk.	17 %	Whiteaway Laidlaw	17½%
Duncan Lawrie	17 %	Williams & Glyn's	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

CURRENCIES, MONEY and GOLD

Sterling firm

STERLING ROSE against most currencies in yesterday's foreign exchange market, although the rise was mainly a reflection of the thin conditions. There was no real pressure on the pound and it fluctuated throughout the day mainly on commercial orders. Against the dollar it opened at $2.2640 but eased to $2.2570 on one particular selling order before recovering to over $2.26. Further commercial buying pushed up the rate to a high of $2.2680, but the low level of trading saw sterling fluctuate throughout the rest of the afternoon, before closing at $2.2615-2.2625, a rise of one cent from Tuesday's close. Its overall improvement was reflected in its trade weighted index, which rose to 71.7 from 71.4, having stood at 71.5 at noon and in the morning.

The dollar failed to attract much interest and finished largely unchanged on balance. Against the D-mark it closed at DM 1.7370, the same as Tuesday's close, and SwFr 1.6210 against SwFr 1.6170 in terms of the Swiss franc. However during the day it was quoted as low as DM 1.7315 and SwFr 1.6100. Against the yen the dollar was hardly changed at Y239.40 compared with Y239.30 previously. On Bank of England figures, the U.S. unit's trade weighted index was unchanged at 85.0.

D-MARK—Very strong, but showing a steadier trend within the European Monetary System recently — Trading remained subdued with little reaction to West German trade figures for December. The dollar was fixed at DM 1.7340 compared with DM 1.7361 on Tuesday, while sterling improved slightly to DM 3.9230 from DM 3.9190 late Tuesday. EMS currencies were generally weaker overall with the French franc fixed at DM 42.73 per FFr 100 against DM 42.76, and the Danish krone at DM 31.995 compared with DM 32.04 per DKr 100.

ITALIAN LIRA — Firmer recently after falling from the top of the EMS last November— The lira maintained its recent firmer trend as market expectations increased as to a rise in the official discount rate, at present standing at 15 per cent. Political uncertainty has pushed Euro-lira interest rates firmer, with three-month deposits quoted around 23 per cent. Pressure to raise the discount rate has been increased just recently on the latest inflation figures, with Milan reporting a rise in its cost of living index for January of nearly 3.9 per cent. At yesterday's fixing the lira improved against its EMS partners, with the exception of the guilder. Elsewhere the dollar fell to L806.55 from L807.45, while sterling improved to L1,828.55 from L1,819.05.

FRENCH FRANC — Strongest member of the EMS since late December — The franc lost ground against the D-mark at yesterday's fixing, with the latter rising to FFr 2.3406 from FFr 2.3389, and the Italian lira firmer at FFr 5.0255 per L100 from FFr 5.0275. Sterling rose quite sharply to FFr 9.1970 from FFr 9.1447½, while the dollar eased to FFr 4.0595 from FFr 4.0600.

DANISH KRONE — Basically weak, suffering two devaluations since the EMS began last March —The krone fell against other EMS currencies, sterling and the U.S. dollar. The dollar was fixed at DKr 5.4190 compared with DKr 5.4175, while the pound rose to DKr 12.2570 from DKr 12.2220. The D-mark was firmer at DKr 3.1270 from DKr 3.1225 while the French franc was quoted at DKr 1.3368 against DKr 1.3352 perviously.

DUTCH GUILDER—Steadier in recent weeks, but still in top half of EMS — The guilder showed mixed changes against other EMS currencies.

THE POUND SPOT AND FORWARD

Jan. 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2565-2.2680	2.2615-2.2625	1.00-0.90c pm	5.04	1.90-1.80 pm	3.27
Canada	2.6170-2.6325	2.6250-2.6260	1.10-1.00c pm	4.80	2.40-2.30 pm	3.58
Nethlnd.	4.31½-4.35½	4.33½-4.34½	3-2c pm	6.91	7-6 pm	5.99
Belgium	63.50-63.90	63.75-63.85	25-15c pm	3.76	60-50 pm	3.45
Denmark	12.22½-12.30½	12.26½-12.27½	2¼-¾ore pm	1.22	¼-2¼ dis	−0.41
Ireland	1.0570-1.0630	1.0615-1.0625	0.05-0.15p dis	−1.13	0.15-0.25dis	−0.75
W. Ger.	3.91-3.94½	3.92½-3.93½	3½-2½pf pm	10.30	9½-8½ pm	9.28
Portugal	113.10-113.80	113.40-113.60	15c pm-35 dis	−1.06	5-105 dis	−1.94
Spain	148.70-150.30	149.90-150.00	35c pm-15 dis	0.80	par-100 dis	−1.33
Italy	1,820-1,830	1,824½-1,825½	5¼-7¼ lire dis	−4.44	19-21 dis	−4.38
Norway	11.06-11.13	11.06½-11.07½	8½-6½ore pm	8.13	18¾-16¾ pm	6.23
France	9.16-9.21	9.19-9.20	5¼-4¼c pm	6.20	11¼-10¼ pm	4.69
Sweden	9.39-9.45	9.41½-9.42½	4½-2½ore pm	4.14	10-8 pm	3.82
Japan	537-545	541-542	4.80-4.55y pm	10.41	12.00-11.75pm	8.77
Austria	28.07-28.25	28.17-28.22	25-15gro pm	8.51	67-57 pm	8.79
Switz.	3.63½-3.68½	3.86½-3.87½	3½-2½c pm	10.63	10½-9½ pm	11.31

Belgian rate is for convertible francs. Financial franc 65.10-65.20. Six-month forward dollar 2.50-2.40c pm, 12-month 3.88-3.78c pm.

THE DOLLAR SPOT AND FORWARD

Jan. 30	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2565-2.2680	2.2615-2.2625	1.00-0.90c pm	5.04	1.90-1.80 pm	3.27
Ireland†	2.1310-2.1330	2.1310-2.1325	0.70-0.60c pm	3.66	1.92-1.82 pm	3.51
Canada	1.1606-1.1620	1.1617-1.1620	0.14-0.10c pm	1.24	0.23-0.19 pm	0.72
Nethlnd.	1.9140-1.9168	1.9158-1.9168	0.37-0.32c pm	2.16	1.40-1.30 pm	2.82
Belgium	28.14½-28.21	28.19-28.21	1-2½c dis	−0.74	2 pm-par	0.14
Denmark	5.4160-5.4280	5.4245-5.4280	1.35-1.85ore dis	−3.54	4.75-5.25dis	−3.69
W. Ger.	1.7315-1.7375	1.7365-1.7375	0.77-0.67pf pm	4.97	2.65-2.55 pm	5.99
Portugal	50.10-50.30	50.20-50.30	13-23c dis	−4.30	40-70 dis	−4.38
Spain	66.23-66.40	66.35-66.40	15-23c dis	−3.43	55-70 dis	−3.77
Italy	806.20-806.80	806.40-806.70	6-7 lire dis	−9.67	14½-16 dis	−7.66
Norway	4.8920-4.9110	4.8985-4.8995	2.85-2.35ore pm	6.37	4.45-3.95 pm	3.43
France	4.0565-4.0650	4.0635-4.0650	0.40-0.30c pm	1.03	1.75-1.60 pm	1.65
Sweden	4.1630-4.1655	4.1645-4.1655	0.05orepm-0.15dis	−0.14	0.90-0.70	0.77
Japan	238.70-239.50	239.35-239.45	1.20-1.05y pm	5.64	3.45-3.30 pm	5.64
Austria	12.45-12.486	12.461-12.466	5-4¼gro pm	4.45	18¼-15¼ pm	5.45
Switz.	1.6100-1.6230	1.6205-1.6215	1.20-1.13c pm	8.62	3.50-3.43 pm	8.55

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Jan. 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.583811	0.636872
U.S. $	12	1.31515	1.43436
Canadian $	14	1.53051	1.67189
Austria Sch.	5¼	16.3999	17.8937
Belgian F.	10½	37.0872	40.4347
Danish K.	11	7.12022	7.77659
D'Mark	6	2.28523	2.49077
Guilder	9½	2.52245	2.75211
French Fr.	9½	5.33951	5.82494
Lira	15	1061.98	1158.25
Yen	6¼	315.504	343.943
Norwgn. Kr.	9	6.44687	7.03411
Spanish Pts.	8	87.2405	95.1412
Swedish Kr.	10	5.48023	5.97799
Swiss Fr.	2	2.12655	2.31649

CURRENCY MOVEMENTS

Jan. 30	Bank of England Index	Morgan Guaranty changes %
Sterling	71.7	−34.6
U.S. dollar	85.0	−8.6
Canadian dollar	81.3	−16.5
Austrian schilling	157.7	+24.9
Belgian franc	115.5	+15.8
Danish kroner	108.7	−3.0
Deutsche mark	158.1	+46.3
Swiss franc	200.4	+79.8
Guilder	126.0	+20.3
French franc	102.5	−5.5
Lira	55.1	−49.8
Yen	117.9	+16.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Jan. 30	£	$		£ Note Rates
Argentina Peso	3748-3768	1655-1665	Austria	27.95-28.30
Australia Dollar	2.0410-2.0450	0.9025-0.9035	Belgium	64.70-65.20
Brazil Cruzeiro	98.68-99.68	43.60-44.05	Denmark	12.27-12.35
Finland Markka	8.34-8.37	3.6875-3.6925	France	9.12-9.19
Greek Drachma	n/a	n/a	Germany	3.91-3.95½
Hong Kong Dollar	10.85-10.87	4.7970-4.8000	Italy	1870-1920
Iran Rial	n/a	n/a	Japan	540-545
Kuwait Dinar(KD)	0.609-0.619	0.2722-0.2723	Netherlands	4.31½-4.35½
Luxembourg Frc.	63.75-63.85	28.19-28.21	Norway	11.10-11.20
Malaysia Dollar	4.9400-4.9610	2.1820-2.1830	Portugal	113-124
New Zealand Dlr.	2.3000-2.3050	1.0170-1.0180	Spain	149-156½
Saudi Arab. Riyal	7.53-7.63	3.3590-3.3610	Sweden	9.42-9.48
Singapore Dollar	4.8700-4.8810	2.1510-2.1520	Switzerland	3.64½-3.68½
Sth. African Rand	1.8480-1.8495	0.8170-0.8175	United States	2.26-2.28
U.A.E. Dirham	8.39-8.49	3.7415-3.7455	Yugoslavia	48½-50½

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4583	+1.68	+1.44	±1.53
Danish Krone	7.72336	7.79139	+0.88	+0.64	±1.64
German D-Mark	2.48208	2.49215	+0.41	+0.17	±1.125
French Franc	5.84700	5.83241	−0.25	−0.49	±1.3557
Dutch Guilder	2.74362	2.75148	+0.29	+0.05	±1.512
Irish Punt	0.668201	0.673889	+0.85	+0.61	±1.668
Italian Lira	1157.79	1158.65	+0.07	+0.07	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Jan. 30	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.262	3.933	541.5	9.195	3.670	4.340	1825.	2.626	63.60
U.S. Dollar	0.442	1.	1.739	239.4	4.065	1.622	1.919	806.8	1.161	28.21
Deutschemark	0.254	0.575	1.	137.7	2.338	0.933	1.104	464.1	0.668	16.22
Japanese Yen 1,000	1.847	4.177	7.262	1000.	16.98	6.777	8.015	3370.	4.849	117.8
French Franc 10	1.088	2.460	4.277	588.9	10.	3.991	4.720	1985.	2.855	69.39
Swiss Franc	0.272	0.616	1.072	147.5	2.505	1.	1.183	497.3	0.715	17.38
Dutch Guilder	0.230	0.521	0.906	124.8	2.119	0.846	1.	420.5	0.605	14.70
Italian Lira 1,000	0.548	1.239	2.155	296.7	5.038	2.011	2.378	1000.	1.439	34.96
Canadian Dollar	0.381	0.862	1.498	206.2	3.502	1.398	1.653	695.1	1.	24.30
Belgian Franc 100	1.567	3.545	6.164	848.7	14.41	5.752	6.803	2861.	4.115	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.00-14.10 per cent; three-months 14.22-14.32 per cent; six months 14.25-14.35 per cent; one year 13.90-14.00 per cent.

Jan. 30	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17¾-18⅛	13⅛-13¾	12¾-13¾	10⅞-11⅛	⅜-⅝	7½-7⅝	11⅞-12⅛	25-35	—	7¾-12⅝
7 days' notice	17¾-18⅛	13⅝-13⅞	12¾-13¾	11-11¼	1-1¼	7 11/16-7 15/16	12-12¼	23¼-26¾	13⅞-14	7⅞-8⅛
Month	18-18⅜	13 11/16-13 15/16	13⅜-13¾	11-11¼	4 11/16-4 15/16	8 1/16-8⅜	12⅛-12⅜	21½-23	13 9/16-13 15/16	7⅝-8¼
Three months	17¾-18⅛	14 1/16-14 5/16	13 11/16-14 1/16	11⅛-11⅜	5⅜-5⅝	8⅜-8⅝	12¾-13	21¼-22¼	14¼-14⅝	8⅜-8⅝
Six months	16⅞-17¼	14 1/16-14 5/16	13⅝-14	11¼-11½	5¾-5⅞	8½-8¾	13⅜-13⅝	21-21¾	14 1/16-14 5/16	8⅜-8⅝
One year	15⅞-16¼	13 15/16-14 1/16	13⅛-13½	11⅜-11⅝	5 5/16-5 9/16	8⅜-8⅝	13½-13¾	21-22	13 15/16-14 1/16	8 5/16-8 11/16

Long-term Eurodollar two years 12⅞-13⅛ per cent; three years 12½-12⅞ per cent; four years 12⅜-12⅝ per cent; five years 12¼-12½ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

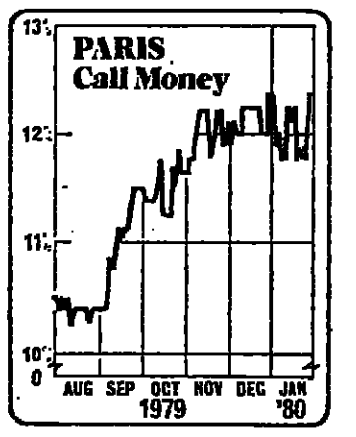
Dutch rates firm

The Nederlandsche Bank (Dutch central bank) announced a further special advance to the banking system yesterday at 11.25 per cent, compared with 11.5 per cent for the last facility which ran out on January 23. The advance—to add liquidity to the money market—was in line with expectations at Fl 890m, and may take some of the upward pressure off interest rates in the near future. Call money in Amsterdam rose to 10.875-11.125 per cent from 10.625-10.875 per cent as seasonal tax payments flowed into the National Treasury. These are expected to increase the market deficit to at least Fl 4bn in the coming week, although the tax receipts of about Fl 2bn will hardly enable the authorities to meet their obligations through February. Latest figures from the central bank show the Treasury's balance at zero despite drawings from the International Monetary Fund.

In March the cash flow situation is expected to worsen, leading to speculation that the Nederlandsche Bank may issue short-term Treasury bills to improve the situation.

In Frankfurt call money continued to ease yesterday, falling to 6.40-6.75 per cent from 7.00-7.50 per cent, but period rates showed a firmer trend.

In Paris call money rose to 12⅜ per cent from 12¼ per cent, equal to the five year peak touched on December 28, but term rates showed little change.



GOLD

Further rise

Gold rose $20 an ounce in the London bullion market yesterday to $685-695. The metal opened at $710-720 and eased to a morning fixing of $703.50. During the afternoon interest tailed off a little and the metal was fixed at $691.00, reflecting in part fresh assertions by President Carter of the need to maintain a steady dollar.

In Paris the 12½-kilo bar was fixed at FFr 89,400 per kilo ($684.96 per ounce) compared with FFr 87,750 ($672.86) in the morning and FFr 85,750 ($656.92) on Tuesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 39,180 per kilo ($703.50 per ounce) against DM 37,665 ($678.00) previously.

	January 30		January 29	
Gold Bullion (fine ounce)				
Close	$685-695	(£303¾-307¼)	$665-675	(£294¼-299¼)
Opening	$710-720	(£313¾-318¼)	$640-650	(£283¾-288¼)
Morning fixing	$703.50	(£310.953)	$678	(£303.066)
Afternoon fixing	$691	(£304.808)	$674.25	(£298.559)
Gold Coins				
Krugerrand	$683-698	(£302-307)	$672-682	(£298-303)
Mapleleaf	$683-695	(£302-307)	$672-682	(£290-303)
New Sovereigns	$172-176	(£76-78)	$166-171	(£74-77)
King Sovs	$172-179	(£76-80)	$177-183	(£78-82)
Victoria Sovs	$175-180	(£77-80)	$180-185	(£80-83)
Fr 20 Napoleon	FFr675-685	(SFr255-265)	FFr 685-695	(SFr250-260)
50 pesos Mexico	$860-870		$835-845	
100 Cor. Austria	$665-675		$650-660	
$20 Eagles	$745-755		$740-760	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Rates firmer

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Interest rates rose quite sharply in late interbank trading in London yesterday following comments by Sir Geoffrey Howe, Chancellor of the Exchequer, at a meeting of the Foreign Press Association. Sir Geoffrey said that Bank of England Minimum Lending Rate would only be lowered as money supply generally came under control. The Chancellor's statement—although largely a repeat of known Government policy—coupled with the continued acute shortage of short-term money led to a general rise in period rates.

Day-to-day credit remained in short supply in the money market and the authorities gave very large assistance.

The Bank of England bought a small amount of Treasury bills from the discount houses, some for resale at a fixed future date; a small number of local authority bills; and a small amount of eligible bank bills, all for resale to the houses at a future date. The help was completed by lending a large amount at MLR to seven or eight houses, which for technical reasons will be repaid over two days. Half the money lent to the market will be repaid today, with the balance due tomorrow.

Banks brought forward rundown balances, repayment was made of Tuesday's official lending, and there was a small net take-up of Treasury bills to finance. On the other hand the market was helped by a small decrease in the note circulation.

Rates in the table below are nomina lin some cases.

MONEY RATES

NEW YORK

Prime Rate	15¼
Fed. Funds	12-12½
Treasury Bills (13-week)	12.14
Treasury Bills (26-week)	12.00

GERMANY

Discount Rate	6
Overnight Rate	6.625
One month	8.775
Three months	8.875
Six months	8.80

FRANCE

Discount Rate	9.5
Overnight Rate	12.375
One month	12.1875
Three months	12.3125
Six months	12.25

JAPAN

Discount Rate	6.25
Call (Unconditional)	8.125
Bills Discount (three-month)	8.5625

LONDON MONEY RATES

Jan. 30 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16-19	—	—	—	17⅞-18⅛	16¼-17	—	—	—
2 days notice	—	—	17⅞-18	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17⅞-18⅛	18-18⅛	—	18¼	17⅞-18⅛	17	—	—	—
One month	17⅞-17⅝	17 15/16-18⅛	17⅞-18	19⅛-18¾	18¼	17⅞-18¼	16¾-16⅞	15 17/32	—	—
Two months	17⅞-17⅝	17⅝-18⅛	—	18-17⅞	18	—	16½	15⅝-15 9/32	18	18⅜
Three months	17 9/16-17 11/16	17 15/16-18	17 15/16-17⅝	17⅝-17⅞	17⅞	17⅞	16¼	15 17/32	17 11/16	18⅛
Six months	16½-16⅝	16½-16⅝	16½-16⅝	16⅝-16	17	—	—	—	17	17¼
Nine months	15⅝-15½	16½-16	—	16-15⅝	16	—	—	—	16 7/16	16¼
One Year	15⅛-15	15¼-15¾	16½-15¾	15⅝-15⅜	15⅞	—	—	—	—	—
Two years	—	—	15⅝-15⅜	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15¼-15½ per cent; four years 15-15¼ per cent; five years 14⅞-15⅛ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16½ per cent; four-month trade bills 17¼ per cent.

Approximate selling rates for one-month Treasury bills 15 19/32 per cent; two-months 15 17/32 per cent; three-months 15⅜ per cent. Approximate rate for one-month bills 17¼ per cent; two-months 17¼ per cent; three-months 16⅞ per cent; one-month trade bills 18½ per cent; two-months 18¼ per cent and three-months 17 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.7443 per cent.

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WORLD STOCK MARKETS

Renewed early Wall St. buying

AFTER TUESDAY'S modest setback on the depressing December trade figures, Wall Street regained its poise yesterday morning, with stocks tending to improve in further active trading.

The Dow Jones Industrial Average, down a net 4.10 the previous day, put on 4.78 at 879.18 at 1 pm yesterday. The NYSE All Common Index regained 41 cents to $65.90, while advancing issues led falls by a nine-to-five margin. Trading volume came to 36.53m shares, compared with 37.67m at 1 pm on Tuesday.

Analysts said there was little in the news background to account for the rise, although Gold prices had pulled back from Tuesday's higher level.

They added that institutional investors appeared to be using the previous day's mild setbacks as an opportunity for further buying, especially as bond prices were continuing under pressure, making equities look more attractive.

News that the index of leading economic indicators was unchanged in Decemeber provided little guidance on the economic outlook.

Oils strengthened. Exxon gained 1¼ to $60¾ on raising the quarterly dividend to $1.20 a share from $1.10. Louisiana Land and Exploration were ahead 1⅝ to $55¼, after touching $56½ at one point. It could not explain the rise. Active Gulf Oil rose ½ to $39⅛ and Texaco ¼ to $36⅛ ex-dividend.

Interest rate-sensitive issues were weak, however. Volume leader American Telephone were off ⅛ at $50⅛, after hitting a 52-week low of $50⅛. American Express lost ⅜ to $30⅛.

U.S. Steel rose $1 to $19⅛ after a late start despite reporting a substantial fourth-quarter loss. Bethlehem Steel slipped ⅛. Its fourth-quarter profits were only about half those of a year ago and it forecast lower 1980 profits as well.

Active Marriott advanced $2 to $24. The company has raised both the price it will pay and the total of shares it will buy in a proposed tender offer.

THE AMERICAN SE Market Value Index advanced strongly by 4.24 to 274.89 at 1 pm. Volume 4.74m shares (5.94m).

Imperial Oil "A" added 2¾ at $40⅛. It is majority-owned by Exxon, which raised its dividend. Gulf Canada rose 2½ to $110⅜ and McCulloch Oil 1⅛ to $13⅞.

Canada

Noon Toronto and Montreal statistics were unavailable yesterday due to technical problems.

Tokyo

A tightening of margin trading controls yesterday inhibited trading to some degree, with volume decreasing to 480m shares from Tuesday's very heavy 820m, but stock prices closed firmer for choice.

The Nikkei-Dow Jones Average improved 5.77 to a fresh all-time peak of 6,776.60 and the Tokyo SE index put on 0.38 to 468.10, while gains exceeded declines on the First Market section by 339 to 307.

Investors actively bought non-ferrous Metal issues such as Dowa Mining and Sumitomo Metal Mining, prompted by the overnight rebound in Gold Bullion prices.

Defence-related shares further advanced, while Real Estates, along with some Light Electricals, Vehicles and Oils, were also favoured.

Heiwa Real Estate moved ahead Y26 to Y672, Mitsui Real Estate Y12 to Y579, Tokio Marine Insurance Y9 to Y656, Shimazu Y34 to Y589, Pioneer Electronic Y60 to Y1,880, Honda Motor Y13 to Y619 and Teikoku Oil Y31 to Y990.

Trading Houses eased in places, but Mitsui put on Y4 to Y379 on Japanese Press reports that the construction of a Japan-Iran petrochemical plant was expected to resume after a ten months' suspension.

In contrast, Sugar Manufacturers declined due to a retreat in sugar prices on overseas markets. Mitsui Sugar receded Y14 to Y195.

Large-capital issues lost ground, while Stainless Steel and Aluminium Producers, which rose in the previous session, reacted on profit-taking. Hitachi shed Y4 to Y265.

Germany

An influx of foreign buying orders fuelled a further market rally yesterday, but the Motors section continued to decline. The Commerzbank index recovered 2.2 more to 706.8.

Worries about oil price rises remained a depressant for Motor issues, BMW losing DM 1.50 and Daimler-Benz DM 2.20.

Machine Manufacturers fared the best, Linde gaining DM 4 and KHD DM 2.50. Degussa moved ahead DM 6.20, responding to the rise in precious metal prices.

Among Electricals, Siemens improved DM 1.90 but AEG weakened DM 1.70.

Public Authority Bonds generally eased, with losses of up to 40 pfennigs being recorded. The Regulating Authorities bought DM 2.4m nominal of paper after selling DM 9.3m on Tuesday.

Hong Kong

With profit-taking increasing as the day progressed, the market sustained a sharp and widespread decline in fairly heavy trading. The Hang Seng index retreated 23.24 from Tuesday's new six-year high to close at 913.59.

Dealers ascribed the setback to general market nervousness over the strength of the local property market following lower-than-expected returns at a major land auction on Tuesday and caution ahead of the Chinese New Year holiday.

Properties led the decline, with Hong Kong Land falling 60 cents to HK$14.30, Cheung Kong 40 cents to HK$22.40 and SHK Properties 70 cents to HK$19.80.

Hong Kong Land 1980 Warrants receded HK$100 to HK$2,760 and the 1986 Warrants 30 cents to HK$12.20, while New World lost 35 cents to HK$4.80, Swire Properties 25 cents to HK$5.60 and Tai Cheung 15 cents to HK$3.65.

Elsewhere, Jardine Matheson dipped 40 cents to HK$18.80, HK Bank 30 cents to HK$21.50 and Wheelock "A" 17.5 cents to HK$4.725.

Australia

Markets were broadly higher, with the sharp rally on world Bullion markets sparking off a rise across the Mining boards. However, overseas buying interest, particularly from London, waned yesterday, with local institutions stepping in to fill the void. The Sydney All Ordinaries index climbed 9.02 to establish another record high of 859.17, while the Metals and Minerals index strengthened 94.34 to 5,709.88.

Central Norseman Gold gained 20 cents to A$7.90, as did Peko-Wallsend to A$9.20, while a record domestic price for copper sent local producers ahead, with MIM adding 6 cents at A$6.02.

CRA rose 16 cents to A$5.96, while keen demand for Uranium issues saw Kathleen Investments move ahead A$1.50 to A$8.50 and Queensland Mines 70 cents to A$7.60. In the Oils sector, Crusader climbed 18 cents to A$2.30, while Coals concern Oakbridge advanced 12 cents to A$3.87.

On the Industrial posts, White Industries rose A$1.80 to A$10.00, market leader BHP 10 cents to A$13.35 and Australian Paper 6 cents to A$1.83. ANZ Banking put on 15 cents to A$4.65. Breweries concern Tooths, however, after the recent sharp speculative rise, receded 25 cents to A$2.35.

Paris

Prices were mixed with an easier bias after a quiet session, with the overnight Wall Street reaction and an increase of ¼ of a point in the French Call Money rate to 12¾ per cent dampening sentiment.

Banks, Motors and Chemicals found support, but Mechanicals, Electricals, Metals and Oils generally declined.

Ferodo rose FFr 28.3 to FFr 344.3 on forecasting higher 1979 dividend and parent company profits.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

Stock	Jan. 29	Jan 28.
Abitibi	25⅛	22
Agnico Eagle	13⅞	12¾
Alcan Alumn	67¼	65¾
Algoma Steel	36½	36⅞
Asbestos	37	37

BELGIUM (continued)

Jan. 30	Price Frs.	+ or −
Petrofina	5,740	+110
Royale Belge	5,500	−50
Soc Gen Banq	2,775	+20
Soc Gen Belge	1,650	−10
Sofina	3,270	−65
Solvay	2,465	+25
Traction Elect.	2,650	−40

HOLLAND

Jan. 30	Price Fls.	+ or −
ACF Holding	77.2	−0.3
Ahold	80.6	
AKZO	23.4	+0.2
ABN	302	+3
AMEV	102.5	
AMRO	68.1	+0.1

AUSTRALIA

Jan. 30	Price Aust. $	+ or −
ANZ Group	4.65	+0.15
Acrow Aust	1.00	
Alliance Expl	1.25	+0.15
Ampol Pet	1.30	+0.01
Ast. Pulp Pap	2.50	+0.10
Audimco	0.26	
Aust Cons Ind	2.05	+0.01
Aust Guarant	1.40	

JAPAN (continued)

Jan. 30	Price Yen	+ or −
Makita	1,150	+10
Marubeni	387	−3
Marudai	651	+2
Marui	756	−6
Matsushita	690	+2
M'ta Elec Works	560	
M'bishi Bank	414	−1

Indices

NEW YORK—DOW JONES

SINGAPORE

HONG KONG

SOUTH AFRICA

BRAZIL

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

SWITZERLAND

AUSTRIA

BELGIUM/LUXEMBOURG

NEW YORK ACTIVE STOCKS

COMMODITIES and AGRICULTURE

US EMBARGO

Soviet mission seeks Argentine grain

BY ROBERT LINDLEY IN BUENOS AIRES

THE ARGENTINE government has revealed belatedly that a Soviet trade mission arrived here this week to negotiate purchases of Argentine grain.

"Argentina is the only main grain-exporting country to reject President Carter's call for an embargo on grain shipments to the Soviet Union. Mr. Carter's calls for the grain embargo and for a boycott of the Olympic Games this year in Moscow—which Argentina also has refused to join—were prompted by the Soviet invasion of Afghanistan.

Last week, U.S. Army General Andrew Jackson Goodpaster came to Argentina as a special envoy of President Carter and failed in his mission to convince President Jorge Rafael Videla to have Argentina join the grain embargo against the USSR.

Meanwhile, Vice Admiral Carlos Castro Madero, president of the Argentine Atomic Energy Commission has said Argentina cannot refuse to sell to the Soviet Union because for every dollar's worth of goods Argentina buys from the Soviet Union, the USSR buys $5 worth of goods from Argentina.

The ratio with the U.S. said Admiral Castro Madero, is not one to five but one to two. Last year the Soviet Union bought 19 per cent of its grain requirements from Argentina he said. This year, because of the natural growth of the market, this figure ma yrise to 25 per cent, he added.

Argentina re-opened its grain market on Tuesday without restricting the destination of corn, sorghum and soyabeans to be harvested this year.

Officials of several private grain companies said the Government measure ensured that most of Argentina's expected 5m tonne surplus of corn would be sold to the Soviet Union at prices well above international market levels.

The action by Argentina's National Grain Board came four days after the Government, in an apparent policy reversal, publicly promised U.S. presidential envoy Gen. Andrew J. Goodpaster not to "pursue commercial advantages" arising from the U.S. embargo of a 17m tonne shipment of corn, soyabeans and sorghum.

The price of Argentine corn has soared $22 above that of U.S. corn quoted in Chicago since the U.S. president announced the embargo on January 5. The boom was attributed to expectation that the USSR would turn to Argentina, a major grain exporter, to replace the corn embargoed by Washington.

Tuesday's action allowed traders to start making the required declaration of export sales of those grains, to be shipped in April, May and June.

Australian wool ban fear

ANY GOVERNMENT embargo on the sale of Australian wool to the Soviet Union because of the Afghanistan problem would be catastrophic for the industry, Australian Wool Corporation (AWC) chairman David Asimus said.

The Soviet Union was Australia's second biggest customer in 1978-79, taking some 400,000 bales.

Mr. Asimus, speaking at a conference in Canberra, warned that even without an Australian Government-enforced embargo, the same effect could be caused by a Soviet boycott of Australian wool auctions in retaliation for the trade sanctions already imposed by Australia.

However, although the Government has suspended sales of rutile, which it considers a strategic commodity, it is thought there is no possibility at this stage of Australia even considering an embargo on wool exports.

Surge in sugar market

WORLD sugar values jumped to the highest level since mid-1975 yesterday as heavy buying interest more than wiped out losses earlier in the week. The London daily price for raw sugar was lifted by £14 to £211 a tonne. On the futures market the May position closed some £14 up too at over £224.

The market has lost its fears about the replacement of sugar by corn syrups in soft drinks, even though another leading U.S. soft drinks maker, Royal Crown, had followed Coca-Cola's lead in permitting the use of 50 per cent corn syrup sweeteners.

As a leading U.S. refiner, Amstar, pointed out, it is likely to be at least two years before the sugar industry feels any impact.

In the meantime the market was more concerned with short-term influences, such as an expected shortfall in shipments by Thailand and a resurgence of speculative buying interest.

UNCTAD

Driving a hard bargain with the Third World

BY BRIJ KHINDARIA IN GENEVA

DEVELOPING COUNTRIES are trying hard to conclude international price stabilisation pacts for the Third World's main commodity and raw materials exports.

About 35 weeks have been set aside during 1980 for negotiations after talks here this month to implement a programme run by the UN Conference on Trade and Development (UNCTAD) aimed at reaching international commodity agreements (ICAs) for 18 commodities. The new initiative follows accusations by producers that industrialised countries are trying to sabotage the programme.

In February four sets of negotiations will take place in Geneva about possible ICAs for copper, tungsten and hard fibres, as well as the creation of a multimillion dollar financial fund to operate the entire UNCTAD programme.

The Third World is to take a tougher line on the planned fund. Developing country delegates allowed talks for the fund to break down last November rather than yield in their demands that the money be made available both for use by the ICAs and by Third World governments to boost research and export promotion.

Many delegates now say they are willing to provoke a confrontation with the West rather than get a fund which does not suit their needs.

Third World governments will put further pressure on industrialised countries to reaffirm their political will to reach commodity accords during a meeting here in March of UNCTAD's decision-taking Trade and Development Board. A review of the programme is scheduled for next June.

Because of the complex nature of commodity markets and the determination of industrialised countries not to be pushed into signing any ill-prepared accords, the programme begun in 1976 lies in disarray.

Only one agreement has so far been concluded, for natural rubber. Separate accords cover cocoa, coffee, olive oil, sugar and tin but they existed before 1976 and were subsequently altered on being renewed to include certain kinds of reserve stock arrangements.

Out of other commodities in the programme only hard fibres, jute and jute products, tea and cotton have so far reached a stage in negotiations advanced enough to make some form of international agreement possible.

Considerable differences continue among exporters and importers about the necessity for price stabilisation as compared with provisions for more information and better control of markets through consultations rather than reserve stock operations.

Western commodity importing countries argue that the free market mechanism should not be regulated without extreme caution. They also baulk at the costs involved in contributing to the planned financial fund.

They insist on investigating market conditions for each commodity to decide on a case by case basis whether to choose a reserve stock system to stabilise prices or to establish consultation forums instead.

The exporting countries see these arguments as deliberate rich country attempts to go back on promises made at a 1976 UNCTAD conference to launch the programme, which also seeks ICA's for bauxite, copper, iron ore, manganese, phosphates, tropical timber, meat and bananas.

The programme's key element was to be close co-ordination between the separate ICA's in addition to their being financed by a single fund.

But in its latest review of the commodity negotiations the UNCTAD secretariat says there is "little evidence in actual practice of a truly integrated approach." Progress in the negotiations "can scarcely be considered as satisfactory after years of discussions on individual commodities," it adds.

Peak prices in copper futures markets

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER three months wirebars rose to an all-time high of £1,360 at one stage yesterday before closing, after a day of violent fluctuations, at £1,315.5 a tonne, £27 up on the previous close. Cash wirebars gained £21 to £1,321—the highest level since 1974.

Renewed heavy speculative buying interest was attracted by the sharp rise in the New York copper market and the rally in gold. However there was substantial profit-taking selling at the higher levels, which partially restrained the upward trend.

Contradicting the general bullish sentiment on the market a special report on the prospects for copper to 1985, released yesterday, claimed there is more than adequate production capacity available to meet demand and high prices could "seriously disturb and distort" the future trend.

The report, based on studies by Metals and Minerals Research, a London-based consultancy, says that production is in fact rising fast as a result of numerous small-scale output additions, often overlooked, and considerable reactivation of shut-down plant. It notes that nearly 800,000 tonnes of mine capacity (over 10 per cent of the total available) was either closed or idle during 1975-78 and a large portion of this is in the process of being re-opened.

Overall operating capacity is projected to rise by over 1.5m tonnes (some 20 per cent) between the end of 1978 and end 1985. Therefore, the report argues, additional production capacity is exactly what the industry does not need. Only under the most optimistic assumptions of the growth in consumption was it possible to project bumper copper prices, the report concludes.

● LA PAZ—A Bolivian delegation will attend the tin producers meeting, scheduled to open in Thailand on February 13, and will remain a member of the International Tin Council, Bolivian Minister of Mining and Metallurgy, Oscar Bonifaz, said.

Ivory Coast waits for higher coffee price

By Our Commodities Staff

THE IVORY COAST would consider resuming coffee sales to the world market if the international price rose to Frs 1,600 per 100 kilos, Norbert Kouakou, assistant director general at the country's marketing board said yesterday.

At current rates this would equal £1,740 a tonne, well above last night's closing price for March delivery Robusta coffee of 1,515.5 a tonne.

The Ivory Coast has withdrawn from the market for over a month.

Mr. Kouakou said coffee had been sold forward as far as June. Local traders agreed that about half the crop had been sold.

Purchases so far this season are low, Mr. Kouakou said, partly because rain had held up the harvest. He thought this year's crop would be about 10 per cent down on last year's 275,000 tonnes but traders said the total should be similar to last year's.

More cash needed for UK meat promotion

BY RICHARD MOONEY

THE BRITISH Meat Promotion Executive has told meat producers and traders they will have to find an extra £1m in 1981 just to keep the executive's activities up to the current level.

And it urged delegates at a seminar in London this week to dig even deeper into their pockets to finance an export sales drive and specialised promotions for beef and lamb.

The MPE budget in 1979-80 is just over £4m but a rise to £5m will be necessary for 1981-82 just to take account of inflation, Mr. Bill Marlow, director of the executive said.

In addition the MPE is seeking further funds for specific meat and lamb promotions and the planned export drive which would raise the 1981-82 bill to £6.45m.

Mr. K. J. Allright, the executive's chairman, forecast that meat supplies would be on a rising plane from 1981 onwards and he expected competition from EEC suppliers to become more intense.

"Our German, French, Dutch and Danish competitors will all spend large sums promoting their products in this country," he said.

Based on last year's highly successful pork campaign the executive has proposed similar operations for beef and lamb costing £600,000 and £300,000 respectively.

He said he believed the pork campaign strategy, based on heavy-weight television and women's magazine advertising plus a merchandising drive and consumer promotions, could also work for beef and lamb.

The MPE also wants to quadruple its spending on export promotion of lamb, the only meat for which a big export drive is envisaged. In the 1979-1980 budget £250,000 is set aside for pushing lamb exports to Belgium, Holland and West Germany but the executive wants to increase this figure to £1m in 1981-82 and to extend the promotion to other European countries like Switzerland and Italy.

"We have put a considered programme before the industry," Mr. Allright said yesterday. "It is now the decision of the industry as to how far or how fast this is implemented."

Taxation threat to UK farming

ROCKETING land prices without corresponding tax adjustments will completely change the face of British farming, Barclays Bank has warned.

Mr. Brian Carr of Barclay's agricultural department, yesterday forecast "noticeable" changes within 20 years and "substantial" ones in 50 years.

Speaking to afrmers at a management conference in Dunstable, he said land values had increased greatly in the last few years "to a figure which is unreasonably high." Meanwhile, he added industry had suffered an even greater burden of taxation, and farming in particular.

In 1945 a 200-acre farm worth £8,000 (£40 an acre) would have incurred death duties of about 1½ per cent of the total value of the farm. Today with land at £1,800 an acre the tax charge to be borne on the death of a farmer is just over 19 per cent.

Under the workings of the progressive tax rate, large farms are always treated less favourably than small ones, he said.

"Taking the same progressive ratio over the past five years, we could find that by 1990, 60 per cent of the farm's value would have to be found to meet the tax charge on the death of the farmer.

"If farmers are dying and their farms are being sold in whole or in part to pay tax, the present structure of ownership will be changed. The continual growth of institutional land ownership in this country is inevitable unless changes in legislation are made," said Mr. Carr.

British agriculture, he said, had always tried to pay its taxes out of profits. This meant less money available for re-investment. "There must come a time when there will be insufficient money also for tax itself and then the structure of UK agriculture will start to change."

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Higher on balance after an erratic day's trading on the London Metal Exchange. The strength of copper in overnight U.S. markets saw forward metal move ahead strongly on the pre-market to touch £1,350. However, during the morning rings fairly heavy selling triggered stop-loss selling and profit-taking and this depressed the price to around £1,310. In the afternoon a higher than expected opening on Comex brought out fresh buying which lifted forward metal back to £1,330 but a downturn in New York caused a setback to £1,304 on the late Kerb. The after-hours trading remained nervous with three months dipping below £1,300 and then recovering to around £1,310. Turnover: 29,350 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1332-4	+20.5	1320-2	+21
3 months	1321-2	+24	1315-6	+27
Settlem't	1334	+21	—	......
Cathodes				
Cash	1272-3	+21.5	1270-4	+28.5
3 months	1286-8	+19	1288-90	+28
Settlem't	1273	+21	—	......
U.S. Prod	—	......	*121-33	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,334, 33, 32, 33, three months £1,333, 30, 31, 30, 29, 30, 28, 28, 27, 28, 29, 30, 29, 28, 29, 30, 31, 28, 25, 24, 23, 22. Cathodes, cash £1,275, 73, three months £1,288, 87. Kerb: Wirebars, three months £1,321, 18, 17, 16, 15, 14, 12, 11, 10, 08, 09, 10, 12, 11. Afternoon: Wirebars, three months £1,328, 27, 25, 24, 22, 21, 20, 19, 18, 17, 15, 16, 17, 15, 11, 12, 13, 15, 16, 17. Kerb: Wirebars, three months £1,322, 23, 24, 25, 24, 23, 20, 19, 18, 16, 15, 13, 10, 09, 08, 07, 06, 05, 04, 05.

TIN—Gave ground with the backwardation tending to narrow. Forward metal opened around £7,490 but fell away to touch £7,420 in the morning rings on lack of interest. In the afternoon fresh selling depressed the price to £7,400 before consumer prompted a slight widening of the backwardation and lifted three months metal to £7,420 on the late Kerb. Turnover: 715 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7500-10	−17.5	7450-60	−90
3 months	7420-40	−7.5	7410-25	−30
Settlem't	7510	−15	—	......
Standard				
Cash	7500-10	−17.5	7450-60	−90
3 months	7420-30	−12.5	7410-5	−30
Settlem't	7510	−15	—	......
Straits E.	‡$2186	......		......
NewYork	—	......		......

Morning: Standard, cash £7,505, three months £7,450, 40, 30, 20. Afternoon: Standard, three months £7,410, 7,400, 10, 05. Kerb: Standard, three months £7,400, 30.

LEAD—Firmer but below the day's highest levels reflecting the gyrations in copper. Forward metal opened around the £508 level and edged up to touch £515 before profit-taking pared the price to £509.5 on the late Kerb. Turnover: 11,150 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	506-7	−2.5	515-5	+9
3 months	503-4	−1	508.5-9	+8.25
S'ment	507	−3	—	......
U.S. Spot	—	......	*50	......

Morning: Cash £512, 08, three months £504, 5, 6, 6.5, 6, 4: Kerb: Three months £503, 4, 6. Afternoon: Cash £513, three months £505, 6, 7, 4, 5, 6, 6.5, 7, 8, 8.5. Kerb: Three months £508, 09, 10, 11, 12, 11, 14, 16, 17, 16, 15, 12, 13, 12, 11, 10, 09, 10.

ZINC—Slightly firmer with the market following the trend in other metals. Forward metal rose to £384.5 on the pre-market, dipped to £379.5 in the morning rings and finally closed the late Kerb at £380.5 after briefly trading at £384.5 in the afternoon rings. Turnover: 5,100 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	367-8	−2	369-71	+2
3 months	380-5	−1.25	384-5	+3.25
S'ment	368	−2	—	......
Primw'ts	—	......	*37.5	......

Morning: Three months £385, 84, 83, 84, 84.5, 82, 80, 80.5. Kerb: Three months £379. Afternoon: Three months £382, 83, 83.5, 84. Kerb: Three months £385, 86, 85, 83, 81, 80, 81.

ALUMINIUM—Marginally firmer. Forward metal moved up to £922 in the morning, reflecting the initial rise in copper, but this level attracted profit-taking which left the price around £915.5 on the late Kerb. Turnover: 5,375 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	906-7	+4.5	908-8	+4.5
3 months	917-8	+5	916-7	+4

Morning: Cash £906, three months £923, 22, 23, 23.5, 23, 21, 20.5, 20, 18, 16. Afternoon: Three months £917, 16, 17, 18, 17, 15, 16, 17, 16. Kerb: Three months £916, 17.

NICKEL—Lower on balance. The early strength in copper lifted forward metal to £3,240 on the pre-market but profit-taking entered the market at this point and depressed the price thereafter prior to a close on the late Kerb of £3,180. Turnover: 604 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	3070-105	......	3075-90	−10
3 months	3215-20	+12.5	3195-200	−10

Morning: Three months £3,235, 30, 20, 15. Afternoon: Three months £3,210, 3,200, 3,190, 80, 3,200, 3,190. Kerb: Three months £3,195, 90, 80.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

LEGAL NOTICES

SUMMONS
Case Number 79-C-1010
United States District Court
For The Eastern District of Wisconsin

The First National Bank of Chicago, Plaintiff, vs. Agricultural Development Bank of Iran, Bank Omran, Doper Laboratories Company Limited, Industrial Credit Bank, Industrial and Mining Development Bank of Iran, International Construction Machines, Karun Agro Industry Inc., National Petrochemical Company of Iran, Bank Saderat Iran, The Islamic Republic of Iran, All Political Subdivisions, Agencies and Instrumentalities of the Islamic Republic of Iran, Bank Melli, and Does. 1-100, Defendants.

To the above-named defendants:

You are hereby summoned and required to serve upon Whyte & Hirschboeck S.C., plaintiff's attorneys, whose address is 2100 Marine Plaza, Milwaukee, Wisconsin 53202, an answer to the complaint which is herewith served upon you, within 40 days after the 31st day of January, 1980, exclusive of such date. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

Signed: RUTH W. LA FAVE,
Clerk of Courts.

The First National Bank of Chicago,
Plaintiff.
By Robert J. Berdan and
Whyte & Hirschboeck, S.C.,
2100 Marine Plaza,
Milwaukee, WI 53202.

SILVER

Silver was fixed 12.2p an ounce higher for spot delivery in the London bullion market yesterday at £16.49. U.S. cent equivalents of the fixing levels were: spot $37.35, up 35c; three-month $37.75, up 86c; six-month $37.55, up 91.3c; and 12-month $37.556, up $1.27. The metal opened at £16.35-17.25 ($37-39) and closed at £15.25-16.15 ($34½-36½).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	1649.0p	+6.4	1582.5p	−7.5
3 months	1680.0p	+28.8	1610p	+2.5
6 months	1676.5p	+35.1	—	......
12months	1684.5p	+48.1	—	......

LME—Turnover 170 (262) lots of 10,000 ozs. Morning: Cash 1645, 40, three months 1680, 75, 70, 65, 60. Kerbs: Three months 1640, 30, 25: close 1625, 1630. Afternoon: Cash 1630, three months 1610, 1600, 01, 30, 20, 15, 10. Kerbs: Untraded: close 1580, 1600.

*

GRIMSBY FISH—Supply good, demand fair. Prices at ship's side (unprocessed) per stone: Shell cod £4.00-£4.50, codlings £2.20-£3.30. Large haddock £4.00-£4.50, medium £3.30-£4.00, small £1.80-£2.60. Large plaice £3.30-£4.00, medium £3.00-£3.60, best small £3.20-£3.70. Skinned dogfish (large) £12.00, medium £7.00-£9.00. Lemon soles (large) £11.00, medium £10.00. Saithe £2.50-£3.70.

COCOA

In much more active trading conditions futures traded within a £15 range and closed on a steady note at the highs of the day. The higher levels attracted producers to re-enter the market and scale-up selling of cocoa beans was the order of the day, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1483-84	+9.0	1490-75
May	1482-84	+15.0	1485-70
July	1492-94	+17.5	1493-80
Sep	1506-07	+14.0	1507-1495
Dec	1534-36	+12.0	1535-25
March	1552-55	+4.0	1560-40
May	1565-90	+2.5	1575

Sales: 2,692 (1,896) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Jan. 29. 145.39 (144.39): Indicator price Jan. 30: 15-day average 144.04 (same): 22-day average 143.30 (143.44).

COFFEE

Robustas opened slightly easier in mixed dealings, but consolidated in a narrow range during a disappointing morning session, reports Drexel Burnham Lambert. Trade buying on a scale down basis continued to support prices for most of the afternoon but at one stage prices weakened under commission house pressure before the market rallied towards the close to finish around the daily highs.

COFFEE	Yesterdays Close £ per tonne	+ or —	Business Done
January	1474-75	−1.5	1480-66
March	1515-16	......	1517-07
May	1531-33	−1.5	1534-23
July	1549-50	−2.0	1555-43
Sept	1562-65	−1.0	1568-56
Nov	1563-64	+2.0	1564-61
January	1545-65	+1.0	—

Sales: 3,855 (3,463) lots of 5 tonnes.

ICO Indicator prices for Jan. 29 (cents per pound). Other Mild Arabicas 158.67 (159.00). Robustas ICA 1976 158.00 (157.00). ICA 1968 156.25 (157.25). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 179.28 (179.67).

GRAINS

LONDON GRAIN FUTURES—Barley saw fairly active trading. On good buying interest, the old crop opened 50-60p up. Some dips were seen but values remained steady to close 35-40p up on the day. New crops registered gains of 10-15p in thin trading, reported Acli.

WHEAT Mnth	Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
Mar.	100.20	+0.25	97.40	+0.40
May	104.40	+0.30	101.55	+0.35
Sept	96.60	+0.10	93.60	+0.15
Nov	100.30	+0.10	97.10	+0.15

Business done—Wheat: March 100.20-100.00, May 104.45-104.20, Sept. no trade, Nov. 100.35-100.30. Sales: 114 lots of 100 tonnes. Barley: March 97.60-97.30, May 101.50-101.20, Sept. 93.60-93.50, Nov. 97.00-97.00. Sales: 212 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Other milling wheat: E. Midlands 98.00, N. East 97.80, Scotland 102.80. Feed barley: Eastern, E. Midlands 94.20, N. East 94.50, Scotland 94.00.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, Jan. 98.75, Feb. 101.25, March 102.50, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 97.25, March 98.50, transhipment East Coast. Maize: French Feb. 117.25, March 118.25, transhipment East Coast. Barley: English Feed fob March 102 paid East Coast, Feb. 101.50, March 102.50, April 104.50 sellers East Coast. Rest unquoted.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 15 tonnes, bringing the total for the week so far to 249 tonnes. Slow offtake brought relatively little demand. Minor orders concerned Central American and various African qualities.

RUBBER

The London physical market opened steadier, with little interest at higher levels throughout the day, and closed on an easier note. Lewis and Peat reported a Malaysian godown price of 350 (345.5) cents a kg (buyer(February).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Mar.	79.50-79.70	80.40-80.80	80.20-79.60
Apr.	80.50-81.20	81.50-82.50	—
Apr.-Jne	82.00-82.30	82.70-82.80	83.50-82.00
Jly.-Sept	86.15-86.25	85.50-85.45	86.50-84.65
Oct-Dec	87.00-87.10	87.05-87.15	88.25-86.85
Jan-Mar	88.25-88.70	88.55-88.40	89.40-83.20
Apr-Jne	89.80-89.70	89.50-89.80	90.40-89.80
Jly.-Sept	91.00-91.25	90.70-90.75	91.20-91.00
Oct-Dec	92.40-92.45	91.75-91.80	92.80-92.45

Sales: 826 (645) at 15 tonnes; 31 (22) at 5 tonnes.

Physical closing prices (buyer) were: Spot 78.5p (80.25p): March 78.25p (78.75p): April 80p (80.50p).

SOYABEAN MEAL

The London market opened easier on stronger sterling, reports T. G. Roddick. During the afternoon session some late buying in thin conditions kept the market steady to close on the highs of the day.

	Yest'rd'y Close £ per tonne	+ or —	Business Done
February	120.00-21.0	−0.50	—
April	117.40-17.7	+0.10	117.50-17.00
June	116.20-16.4	+0.15	116.30-15.50
August	117.90-18.0	......	118.00-17.50
October	117.40-17.6	+0.25	117.50-17.00
December	118.80-19.7	−0.10	—
February	121.50-22.5	......	121.50

Sales: 58 (49) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £211.00 (£197.00) a tonne cif for Jan.-Feb.-March shipment. White sugar daily price was £216.00 (£200.00).

Heavy commission house buying at the opening call produced gains of up to £4.00 from overnight levels. Profit taking later pared most gains and the market then settled into a narrow range until early afternoon when fresh buying interest forced prices to new life of contract highs, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	222.90-23.00	207.25-07.50	222.25-05.80
May	224.50-24.75	210.00-10.50	225.00-08.80
Aug	227.25-27.50	212.60-12.75	229.25-08.75
Oct	227.75-28.00	215.00-13.25	230.00-14.00

Sales: 11,940 (8,048) lots of 50 tonnes.

NUMBER FOUR CONTRACT—Close (in order buyer, seller only). May 223.75, 224.50; Aug. 226.00, 227.00; Oct. 226.50, 227.00; Jan. 224.00, 228.00; March 227.00, 229.50; May 225.00, 229.50. Sales 310 (377).

LONDON WHITE SUGAR—Close (in order buyer, seller, business, sales). April 215.00, 230.00, 216.00-211.00, 20; July 215.00, 230.00, 216.00-214.00, 10; Sept. 215.00, 230.00, nil, nil; Nov. 215.00, 235.00, nil, nil; Feb. 215.00, 236.00, 225.00, 10; April 215.00, 235.00, nil, nil; July 215.00, 235.00, nil, nil, Sales 40.

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £290.50 (£272.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for January 29. Daily price 18.54 (17.56): 15-day average 17.55 (17.28).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. March 480.0, 483.0, 483.0-474.0, 134; May 503.0, 504.0, 505.0-498.0, 306; July 523.0, 523.5, 524.5-518.5, 548; Oct. 518.0, 520.0, 521.0-518.0, 146; Dec. 518.0, 518.5, 520.0-515.0, 76; March 517.0, 520.0, 520.0-517.0, 44; May 518.0, 520.0, 520.0-518.0, 19; July 518.0, 519.5, 519.5-518.0, 19. Sales: 1,292.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 407, 409, 410, 11; Aug. 418, 422, 420, 11; Oct. 421, 423, 420, 1; Dec. 420, 422, 418, 4; Jan. 418, 422, nil, nil; March 422, 430, nil, nil; May 428, 431, 429-425, 3; Aug. 430, 435, nil, nil. Sales: 30.

PRICE CHANGES

In tonnes unless otherwise stated.

	Jan. 30 1980	+ or —	Month ago
Metals			
Aluminium	£770/810	......	£760/70
Free Mkt (cs)	$2040/2050	......	$1750/18
Copper			
Cash w'bar	£1,321	+21	£1047.5
3 mths	£1,315.5	+27	£1067.5
Cash Cathode	£1,272	+28.5	£1021
3 mths	£1,287.5	+28	£1044
Gold troy oz	$690	+20	$567.5
Lead cash	£514	+9	£533
3 mths	£509.75	+8.25	£517.5
Nickel	£3,195.78	......	£3,288.17
Freemkt(cif lb)	305/330c	......	270/310c
Platin'mtr'y oz	£189.0	......	£198
Free mkt	£361.55	+6.85	£334.80
Quicksil'ver	$395/400	−12.5	$378/380
Silver troy oz	1649p	+6.4	1793.70p
3 months	1680p	+28.85	1843.78p
Tin Cash	£7,455	−90	£7,490
3 mths	£7,412.5	−30	£7,305
Tungsten22.04lb	$138	......	$137.75
Wolfrm 22.04 lb	$142/146	......	$128.5/134
Zinc cash	£370	−2	£345
3 months	£384.5	+3.25	£359.5
Producers	$780/825	......	$780
Oils			
Coconut (Phil)	$905y	−5	$875
Groundnut	‡	......	‡
Linseed Crude	‡	......	£398
Palm Malayan	$715x	......	$655
Seeds			
Copra Philip	$590	−5	$570
Soyabean(U.S.)	$288w	+3	$282
Grains			
Barley Futures	£101.35	+0.55	£97.30
Maize			
French No3AM	‡	......	£119
Wheat			
No. 1 Red Spg	‡	......	‡
No2HardWint	£97.25x	−0.25	£105
Eng. Millingt	‡	......	‡
Other commodities			
Cocoa ship't	£1,539	+9	£1,480
Future May	£1,483	+18	£1,425.5
CoffeeF't'rMar	£1,515.5	......	£1,581.6
Cotton A.Index	92.50c	+0.8	83.85c
Rubber (kilo)	78.5p	−1.75	68.75p
Sugar (Raw)	£211	+14	£179
Woolt'p's 64s kl	390p kilo	......	276p kilo

r Jan.-Feb. s Feb. v Feb.-March. t March-April. u April. w May. z Indicator. §Buyer.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 64.0-68.0. Eire hindquarters 69.0 to 72.0, forequarters 48.0 to 50.0. Veal: English fats 78.0 to 86.0. Dutch hinds and ends 106.0 to 112.0. Lamb: English small 54.0 to 62.0. English small† 66.0, medium 50.0 to 58.0, heavy 40.0 to 54.0. Imported frozen: NZ PL New Season 50.0 to 51.0. Pork: English, under 100 lb 40.0 to 50.0, 100-120 lb 38.0 to 49.0, 120-160 lb 37.0 to 47.0. † Special quotation: Very high quality produce in limited supply.

MEAT COMMISSION—Average fatstock prices at representative markets on January 30. GB cattle 79.88p per kg lw (−0.34); UK sheep 134.8p per kg est dcw (−2.8): GB pigs 64.3p per kg lw (−3.1).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—Spania: Navel/Navelinas 3.80-4.50; Jaffa: Navels/Shamouti 50/189's 3.90-5.50; Greek: 2.50-2.60; Moroccan: 64/113's 3.80-4.00; Egyptian: 2.80-3.00. Satsumas—Spania: 95/189's 2.80-3.80. Lemons—Italian: 100/150's 5.00-5.50; Cyprus: 11-kg 84/120's 3.30-4.40. Grapefruit—Cyprus: 20-kg 3.00-4.40; Jaffa: Large boxes 32/88's 3.80-4.80; Florida: Pink flesh 36/48's 4.80-5.00. Sours/Bitters — Spanish: 4.80-5.00. Apples—French: Golden Delicious, boxes 40-lb 138/175 4.20-5.40, 20-lb 2.20-2.70; Granny Smith 20-lb 2.40-3.00, 40-lb 4.50-6.00, Starkcrimson, approx. 20-lb 72's 2.60; 40-lb 5.60-6.30; Hungarian: Starking 40-lb 138's 6.20; Canadian: Red Delicious 40-lb 8.50-9.00; Italian: Granny Smith 20-lb, per pound 0.13-0.15. Grapes—Californian: Red Emperor, per pound 0.50; S. African: 11-lb Dan Ben Hannah 11.00, Alphonse Lavallee 13.00, Queen of the Vineyard 7.00. Plums—S. African: Santa Rosas per pound 0.25-0.30, Gaviotas 0.34-0.45. Peaches—S. African: 23/25/28's 2.80-4.00. Avocados—Israeli: 4.30-4.80. Melons—Spanish: 15-kg Green 1815's 15.00. Pineapples—Ivory Coast: Each 12's 0.60-0.75, 6's 1.00-1.10. Onions—Spanish: 5.60-6.00; Dutch 3.00-3.20. Tomatoes—Canary: 4.80-5.20. Bananas—Jamaican: 26-lb 0.17-0.17½. Lettuce—Dutch: 24's 2.80-3.00. Cucumbers—Canary: 14/16's 3.60-3.80. Capsicums—Canary: Per pound 0.30-0.33. Celery—American: 36's 13.00; Israeli: 20/24's 6.30; Spanish: 5.00-5.30. Cauliflowers—French: 24's 8.00-8.50. Potatoes—Italian: Boxes 20-lb 3.00: Cyprus: 55-lb 4.90-5.00. Dates—Tunisian: 30's per box 0.36-0.42: Californian: Per pound 0.30-0.31.

English produce: Potatoes—Per bag 2.00-3.00. Lettuce—Per 12, round 1.20-1.40. Mushrooms—Per pound 0.60-0.80. Apples—Per pound Bramley 0.06-0.14, Cox's Orange Pippin 0.07-0.15, Laxton 0.08-0.10, Spartans 0.08-0.14. Pears—Per pound Conference 0.05-0.10, Comice 0.10-0.20. Swedes—Per 25/28-lb 0.70-0.80. Parsnips—Per 28-lb 1.00-1.20. Turnips—Per 28-lb 1.00-1.20. Cauliflowers—12's, Kent 2.00-2.80. Rhubarb—Per pound, forced 0.18-0.20. Sprouts—Per pound 0.05-0.07. Cabbages—Per bag 0.80-0.90. White cabbages 1.50. Onions—Per bag 2.20-2.80. Carrots—Per bag 0.50-0.80. Beetroots—Per bag 1.00-1.10.

AMERICAN MARKETS

NEW YORK, January 30.

LIQUIDATION PRESSURE produced moderate losses in silver while gold suffered fractional to major losses. Copper remained strong on technical buying by commission houses. Strong fundamentals have again pushed sugar limit up. Lack of interest in coffee resulted in a drifting market while technical chart buying gave good support to cocoa. Bull spreads favouring old crop cotton were based on concern about current crop quality. Grains and soyabeans rallied sharply but retreated from their best levels on the close. The pork complex was mixed while cattle rallied sharply from an oversold position, reported Heinold.

Copper—Feb. 132.30 (132.30), March 133.50-134.00 (131.40), April 134.30, May 134.30-135.00, July 135.00-136.00, Sept. 136.20-136.40, Dec. 137.00, Jan. 137.30, March 137.80, May 138.30, July 138.80, Sept. 139.30, Dec. 140.00.

Potatoes (round whites)—March 58.2-58.4 (58.1), April 62.8-63.1 (62.8), May 72.4-72.7, Nov. 69.5-70.0. Sales: 710.

*Platinum—Feb. 808.0 (803.0), March unquoted (unquoted). April 822.0-830.0, July 826.0, Oct. 846.0, Jan. 853.5, April unquoted. Sales: 1,652.

¶Silver—Feb. 3585.0 (3640.0), March 3650.0 (3700.0), April 3675.0, May 3700.0, July 3740.0, Sept. 3785.0, Dec. 3839.5, Jan. 3858.0, March 3898.0, May 3934.0, July 3972.0, Sept. 4010.0, Dec 4064.0. Sales: 2,000. Handy and Harmen bullion spot 3475.00 (3650.00).

Tin—792.00-797.00 asked (same).

CHICAGO, January 30.

Lard—Chicago loose 21.50 (21.25). New York prime steam unavailable.

Live Hogs—Feb. 39.85-40.00 (40.15), April 39.65-39.85 (39.67), June 43.45-43.50, July 44.75-44.65, Aug. 43.65-43.67, Oct. 42.85, Dec. 45.02, Feb. 46.00, April 44.55.

‡‡Maize—March 275¼-275¾ (273¼), May 285½-285¾ (286), July 297¾-298, Sept. 305¾-305½, Dec. 311½-311¾, March 321½-321¾.

Pork Bellies—Feb. 42.40-42.60 (41.67), March 43.10-43.30 (43.20), May 45.10-45.00, July 47.20-47.25, Aug. 47.02-47.05, Feb. 54.95, March ——, May ——, July ——, Aug. ——.

Silver—Feb. 3620.0 (3590.5), March 3650.0 (3611.5), April 3670.0, June 3730.0, Aug. 3790.0, Oct. 3850.0, Dec. 3865.0, Feb. 3907.0, April 3950.0, June 3992.0, Aug. 4034.0, Oct. 4076.0, Dec. 4118.0, Feb. 4160.0, April 2020.0, June 4244.0, Aug. 4286.0.

‡Soyabeans—March 677-686½ (681), May 685-680 (682½), July 709-708½, Aug. 717½-717, Sept. 723½-724, Nov. 735-735½, Jan. 751, March 768.

‖Soyabean Meal—March 184.00-3.50 (183.10), May 188.60-188.50 (187.80), July 193.50-193.50, Aug. 196.00, Sept. 199.00, Oct. 201.00-201.50, Dec. 204.00, Jan. 205.00, March 209.00.

Soyabean Oil — March 24.10-24.12 (23.67), May 24.57-24.60 (24.20), July 25.03-25.05, Aug. 25.20-25.25, Sept. 25.55-25.50, Oct 25.65-25.70, Dec. 26.00, Jan. 26.05, March 26.30-26.40.

‡Wheat—March 463-461 (452), May 470-469 (460½), July 470-469, Sept. 483-480, Dec. 497½, March 511½-512.

WINNIPEG, January 30. §Barley—March 113.70 (115.00), May 117.00 (116.30), July 115.80, Oct. 110.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 235.25 (238.65).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, January 30.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Feb. $199, March $202. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter, Feb. $189, March $201. U.S. No. 2 Northern Spring, 14 per cent, Feb. $208, March $211, April-May, May-June $199.50, June-July $201, July-Aug. $203.

Maize—U.S. No. 3 Corn Yellow afloat $132, Jan. $130, Feb. $130, March $133, April-June $141, July-Sept. $145.50, Oct.-Dec. $149 sellers. Jan. $129.50, Feb. $129.50, March $132.50 traded.

Soyabeans—U.S. Two Yellow Gulfports Feb. $289.65, March $272, April $277.25, May $280, June $286, July $287.75, Aug. $291.50, Sept. $294.25, Oct. $295.50, Nov. $295.50, Dec. $300.75, Jan. $304.50, Feb. $313.50, March $317.25. Brazil Yellow Faq. unquoted. Argentine unquoted.

Soyameal—44 per cent protein U.S. afloat $248, Jan. $247, Feb. $244, March $241.50, April-Sept. $243. Brazil Pellets afloat $239, March $251, April $245, May $244, April-Sept. $249.

PARIS, January 30

Cocoa (FFr per 100 kilos)—March 1342-45, May 1325-40, July 1335, Sept. 1340, Dec. 1345, March 1360-95. Sales at call 2.

Sugar (FFr per 100 kilos)—March 1996-2000, May 2025-29, July 2035-45, Aug. 2050-53, Oct. 2060-78, Nov. 2060-85, Dec. 2090-2120, March 2100-135. Sales at call 48.

INDICES

FINANCIAL TIMES

Jan. 29	Jan 28	M'nth ago	Year ago
307.01	304.64	closed	261.61

(Base: July 1, 1952=100)

MOODY'S

Jan. 29	Jan. 28	M'nth ago	Year ago
1423.7	1413.1	1299.9	1006.9

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 29	Jan. 28	Month ago	Year ago
Spot	439.61	433.04	419.15	377.01
F'tur's	445.47	440.19	423.03	378.07

(Average 1924-25-26=100)

REUTERS

Jan. 30	Jan. 29	M'nth ago	Year ago
1808.2	1794.5	1710.6	1510.8

(Base: September 18, 1931=100)

Lack of follow-up support erases early gains to leave equities lower and Gilts unchanged—Golds shine again

Account Dealing Dates

Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The steel unions' leader's agreement to call off the strike in the private sector gave stock markets reason yesterday to extend Tuesday's late strength with the major difference that Government securities displaced leading shares as the prime movers. Gilts appeared very confident during a busier morning trade and showed gains to ¾ among longer-dated stocks.

In the absence of any follow-through buying, however, the sector later became uncertain. Selling was relatively light, but the longs surrendered the rises and settled narrowly mixed with the turnround partly attributed to a belated response to the Chancellor's views on interest rate levels.

Treasury 12¼ per cent A 2003/05 illustrated the late sensitive tone of the market, falling from £24½ in £25-paid form to close only marginally better on the day at £24. Shorter-dated issues fluctuated within a lesser range, being a maximum of ¼ dearer before ending only a shade firmer on balance. The £60-paid short tap Exchequer 13¼ per cent 1983 touched 59¾ and settled at 59$\frac{11}{16}$ for a net improvement of $\frac{1}{16}$.

Leading equities conformed with the pattern in gilts. After a firm start, a lull in institutional interest enabled dealers to lower prices and although the manoeuvre failed to shake out much loose stock the fall gathered pace after the official close. This had the effect of lowering the FT 30-share index by 6.4 at the close of 457.6, after an early, 11 am. rise of 1.7 and fall of only 0.6 at 2 pm.

Only South African Gold shares resisted the late easier trend. A further rise in bullion saw share prices raised without attracting too much buying interest from either local or overseas sources. Here also, values began to edge away from the highest levels, but gains at the close still ranged to two points and the FT Gold Mines index rose 15.9 more to 350.5 for a two-day gain of nearly 40 points.

Traded options continued relatively active with 1,030 contracts recorded. Once again, oil shares were well to the fore with BP and Shell attracting 231 and 160 trades respectively.

Merchant Banks firm

Merchant banks met keen support and closed with improvements ranging to 11. Arbuthnot Latham ended that better at 218p, while Hill Samuel finished 6 to the good at 88p, after 89p. Still reflecting Press comment, Hambros firmed 5 more for a two-day advance of 21 at 333p. Mercury Securities hardened a few pence to 164p but Manson Finance were unaltered at 38p after the interim results. The major clearers closed well below the day's best, Midland finished 5 harder at 375p, after 380p.

Life issues made the running in Insurances with sentiment helped by reports that the Government has no plans for the withdrawal of tax relief on life assurance premiums. Pearl stood out with a rise of 12 to 288p, while Britannic, 174p and Legal and General, 168p, gained 8 and 7 respectively.

Leading Breweries traded quietly and finished a penny or two below the overnight levels. Among secondary issues, small buying in a thin market lifted Home Brewery 14 to 322p, while rises of 2 were recorded by Morland, 105p, and Border, 82p. Wolverhampton and Dudley added 5 at 282p, but Davenports' met profit-taking and slipped 7 to 148p.

The prospect of further cement price increases stimulated demand for Blue Circle, which touched 298p before settling 4 up at 292p. Tunnel B put on 6 to 176p, after 180p, and Ready Mixed Concrete added 5 at 157p. Armitage Shanks, currently being bid for by Blue Circle, firmed 2 to 98p on the announcement that Ceramics Investment had increased its stake in the company to 25 per cent. Taylor Woodrow improved 4 to 354p, after 356p, on the £400m Surrey Docks plan, while Wimpey, partners in the venture, hardened a penny to 76p. Costain Deferred improved a couple of pence to 102p: we were in error with the price and change in yesterday's issue. Elsewhere, fresh consideration of the results and proposed two-for-three scrip issue lifted I.D.C. 15 for a two-day gain of 37 at 175p. Blockleys put on 6 to 68p and Sharpe and Fisher 4 to 43p, both in thin markets, while Watts Blake rose 9 to 154p and Magnet and Southerns 5 to 160p.

ICI touched 391p before closing 4 cheaper on balance at 385p after a small business; the annual results are due on February 28. Fisons eased 5 to 288p. Among other Chemicals, buying in a thin market lifted Catalin 8 to 65p; Wix Corporation, a subsidiary of Dana Corporation, recently increased its stake in the company to around 40 per cent. Although the half-yearly profits failed to match expectations, the increased dividend prompted a gain of 5 to 86p, after 88p, in Stewart Plastics.

A flurry of speculative buying fuelled by suggestions of a bid from either BATs or Lonrho enabled Debenhams to feature a lively Stores sector with a rise of 4 to 84p, after 88p. Gussies A touched 412p before closing a net 2 dearer on balance at 406p, while House of Fraser, recently firm on speculation concerning Lonrho's near-30 per cent stake, gave up 4 at 140p. Marks and Spencer dipped 3 to 88p, after 92p, and UDS cheapened a couple of pence to 78p. Elsewhere, A. G. Stanley rose 5 more to 76p on hopes of a bid from Berger Jenson, while Church rose 8 to 191p. A reappraisal of the interim results helped Henderson Kenton, at 101p, retrieve 3 of the previous day's fall of 17. Among Shoes, George Oliver A added 4 to 100p, but Stylo gave up 5 at 165p.

Electricals were noteworthy for a revival of demand for some recent favourite second-line issues. However, in common with the general trend, final quotations were often below the day's best. Farnell touched 276p before settling at 272p for a rise of 8 on balance, STC ended 10 to the good at 256p, after 258p, and Electrocomponents 5 higher at 488p, after 490p. Pifco gained 6 to 142p and Kode closed similarly dearer at 214p. Among the leaders, GEC closed 6 cheaper at 354p, after 364p, while Plessey ended without alteration at 131p, after 137p.

Still reflecting hopes that the company could benefit from any increase in defence spending, Vickers improved further to 140p before profit-taking brought a reaction to 131p for a fall of 5 on the day. Other leading Engineers were inclined harder at the start, but drifted back to close a shade off on balance. Selective buying interest was evident in secondary issues. F. Pratt were prominent at 62p, up 10, on the satisfactory annual results and accompanying statement on the outlook. Demand in a limited market left Chemring 8 to the good at 122p, while Martonair improved 5 to 195p. Fresh support lifted Midland Industries 6 to 91p and left Westland 2 higher at 79p, after 81p, the latter following the annual report. James Neill firmed 4 to 56p, while similar improvements were established in Baker Perkins, 95p, and Amalgamated Power, 74p.

Despite half-yearly profits at the higher end of market estimates, Associated Dairies remained overshadowed by the possible intensification of a grocery price war and eased 4 to 172p, after 184p. J. Sainsbury eased 5 further to 293p and Kwik Save shed 3 to 107p. William Morrison, however, added 6 at 160p.

Sothebys up

Initially up to 6 higher, the miscellaneous Industrial leaders retreated on the lack of follow-through support and generally closed easier for choice. Boots slipped back from 196p to finish a net penny lower at 189p, while Beecham lost 4 to 130p, after 136p. Profit-taking in the wake of the better-than-expected third-quarter profits caused Reed International, at 200p, to lose 6 of the previous day's rise of 13. Bowater dipped 4 to 172p in sympathy. Elsewhere, Sothebys came in for renewed support and put on 8 to 470p while De La Rue rose 17 to 612p. Further speculative buying lifted Gripperrods 4 to 166p and Toye 7 to 82p. Increased first-half earnings prompted a rise of 2 to 204p in Syltone, while European Ferries, recently firm on news of the planned £27m expansion programme for Felixstowe Dock, gained 3 to 113½p. Huntleigh added 4 to 83p, after 86p.

In the Leisure sector, LWT A rsponded to small buying in a thin market with a gain of 10 at 119p.

Thoughts of further takeover activity in the sector enlivened Motor Distributors. F. G. Gates closed 4 up at 49p, while Harold Perry rose 7 to 154p. The announcement that British Car Auctions now holds 7.5 per cent of Caffyns lifted the latter 7 for a two-day rise of 26 to 172p. Appleyard, however, met profit-taking and slipped a couple of pence to 81p. Elsewhere Plaxtons firmed 4 to 176p, while news of a £2m tractor order helped Fodens gain a penny to 33p.

Leading Components surrendered early gains and Dunlop, 59p, Lucas, 262p, and Dowty, 173p, all eased 2.

Firm at the outset, Properties closed lower on balance after interest faded. Land Securities touched 300p before settling 4 cheaper on balance at 291p and MEPC also shed 4, at 187p, after 193p. British Land reported satisfactory half-yearly profits, but the continued absence of a dividend left the shares 3 cheaper at 70p. Some secondary issues retained useful rises. London and Provincial Shop rose 11 to 275p in a thin market, while Warnford Investments and Churchbury Estates added 10 apiece at 385p and 450p respectively.

Profit-taking in Oils

The Oil sector was again extremely lively but, after an early improvement, prices took a distinct turn for the worse as profit-takers gained the upper hand. Ahead of next Thursday's call of 213p per share, British Petroleum new shares touched 154p before some heavy selling brought a close of 150p, down 2 on balance. Elsewhere in the leaders, Shell ended 6 cheaper at 358p. Among the more speculative issues, Siebens (UK) fell sharply to close 40 down at 650p, while Gas and Oil Acreage lost 35 to 400p and CCP North Sea 12 to 320p. Aran weakened 20 to 304p and Burmah ran back 7 to 187p. Against the trend, IC Gas moved up 23 to 710p, the rise being accompanied by fresh talk of a share split.

Selective support was forthcoming for Shippings and Ocean Transport improved 5¼ to 97p while Walter Runciman added 2½ at 105½p.

Golds up again

South African Gold shares put on a further show of strength as the bullion price rose $20 more to $690 an ounce, after moving above $700 during the morning.

Share prices were marked up substantially at the outset following heavy overnight American buying. However, the market failed to attract any fresh buying at these levels and, after fairly quiet trading, prices closed well below the day's best.

Gains were still sufficient to raise the Gold Mines index a further 15.9 to 350.5 — a two-day improvement of 39.3.

At the close, rises in the heavyweights extended to £2 with West Driefontein that amount higher at £32, while Buffels added £1¼ to £17½ and Free State Geduld and Western Holdings a point apiece at £26¼ and £28¼ respectively.

Marginals were featured by Durban Deep and East Rand Proprietary which gained £1¾ to the common price of £14¼.

Financials turned easier after a firm start. In the London issues, Gold Fields touched 475p but met persistent profit-taking to close a net 4 higher at 468p, while Rio Tinto-Zinc were finally 6 down on balance at 410p, after a 1979-80 high of 417p.

Platinums fell back after moving ahead at the opening. Impala closed 6 cheaper at 290p, after 300p, and Rustenburg ended 2 off at 284p, after 293p; at the latter's annual meeting, the chairman said the company will begin producing high quality nickel within two years.

Another heavy two-day turnover was reported in Australians. Gold producers showed Gold Mines of Kalgoorlie 4 higher at 206p and North Kalgurli 3 up at 55p. Bougainville closed 3 firmer at a 1979-80 high of 179p.

Elsewhere, Canada's Northgate Exploration surged 85 to 575p following aggressive overnight U.S. demand.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	325	48	5	—	—	—	—	355p
BP	350	34	15	—	—	—	—	"
BP	375	24	63	—	—	—	—	"
BP	390	—	—	33	58	—	—	"
BP	400	15	98	—	—	—	—	"
Com. Union	160	7	2	13	—	17	—	149p
Cons. Gold	360	122	1	141	—	—	—	468p
Cons. Gold	390	97	3	118	20	—	—	"
Cons. Gold	420	75	11	97	—	118	—	"
Cons. Gold	460	47	5	73	2	96	—	"
Cons. Gold	500	28	87	55	—	75	—	"
Courtaulds	70	9½	—	12	—	12½	1	75p
Courtaulds	80	4½	—	6½	—	8	1	"
Courtaulds	90	2½	—	3½	—	5	—	"
GEC	330	30	5	46	7	59	—	356p
GEC	390	16	11	31	10	—	—	"
GEC	420	7	—	—	—	—	—	"
Grand Met.	130	16	—	22	5	26	—	138p
Grand Met.	140	9	2	16	—	21	—	"
Grand Met.	160	3	—	8½	—	—	—	"
ICI	300	88	—	—	—	—	—	385p
ICI	330	58	—	63	—	—	—	"
ICI	360	35	—	35	—	64	—	"
ICI	390	17	36	35	—	45	—	"
Land Secs.	280	30	—	30	—	33	—	291p
Land Secs.	300	20	89	29	3	41	1	"
Land Secs.	330	8	13	16	—	—	—	"
Marks & Sp.	80	14½	—	17½	2	23	—	88p
Marks & Sp.	90	7½	6	11½	—	16	—	"
Marks & Sp.	100	3½	18	6	—	11	—	"
Marks & Sp.	110	2	—	4	18	—	—	"
Shell	330	52	3	72	—	—	—	358p
Shell	360	30	18	44	3	54	—	"
Shell	390	13	88	26	57	—	—	"
Totals			594		172		3	
		February		May		August		
Boots	180	16	5	25	—	32	1	189p
EMI	120	19	9	22	—	—	—	135p
Imperial Gp.	80	1¼	—	3¼	15	6	—	78p
Imperial Gp.	90	—	—	1½	55	—	—	"
Racal Elec.	200	40	—	52	24	60	—	237p
Racal Elec.	220	24	—	38	4	46	—	"
Racal Elec.	240	9½	58	27	56	34	—	"
RTZ	330	86	2	106	—	124	—	410p
RTZ	360	58	6	81	6	99	—	"
RTZ	390	35	4	58	—	81	—	"
RTZ	420	16	6	39	26	68	1	"
Totals			81		172		3	

FINANCIAL TIMES STOCK INDICES

	Jan. 30	Jan. 29	Jan. 28	Jan. 25	Jan. 24	Jan. 23	A year ago
Government Secs.	67.69	67.65	67.64	67.78	68.25	[illegible]	[illegible]
Fixed Interest	69.04	68.89	69.01	69.40	69.61	69.41	[illegible]
Industrial	457.6	464.0	453.6	452.4	448.7	[illegible]	[illegible]
Gold Mines	350.5	334.6	311.2	324.9	320.7	311.6	[illegible]
Ord. Div. Yield	7.16	7.08	7.25	7.27	7.34	7.31	[illegible]
Earnings, Yld. % (full)	17.64	17.46	17.89	17.94	18.08	18.02	[illegible]
P/E Ratio (net) (*)	6.96	7.04	6.87	6.86	6.79	6.82	[illegible]
Total bargains	23,564	22,622	21,308	25,407	23,058	23,615	[illegible]
Equity turnover £m	—	115.99	139.54	134.23	123.80	107.68	[illegible]
Equity bargains total	—	18,054	15,660	17,958	17,233	16,738	[illegible]

10 am 465.7. 11 am 465.7. Noon 464.9. 1 pm 464.4. 2 pm 463.4. 3 pm 461.4.

Latest index 01-246 8026.

* Nil = 6.72.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/6)	63.30 (19/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (6/6)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 30	Jan. 29
—Daily		
Gilt Edged	136.9	172.2
Industrials	143.7	128.1
Speculative	64.2	66.5
Totals	100.3	92.0
5-d'y A'v'r'ge		
Gilt Edged	127.9	132.8
Industrials	122.7	117.4
Speculative	69.1	68.5
Totals	88.5	85.6

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80.

NEW HIGHS (68)

BANKS (2)
Arbuthnot Latham — First Nat. Finance

BUILDINGS (3)
Armitage Shanks — I.D.C.
BPB

CHEMICALS (2)
Arrow Chemicals — British Benzol

STORES (1)
Moss Bros.

ELECTRICALS (4)
Pifco — Plessey
Do. A — Utd. Scientific

ENGINEERING (4)
Chemring — Westland
Ward (T. W.) — Whessoe

FOODS (1)
Assoc. British Foods

INDUSTRIALS (5)
De La Rue — Sandhurst Marketing
Diploma — Sketchley
Gripperrods

MOTORS (3)
Flight Refuelling — Davis (Godfrey)
Caffyns

NEWSPAPERS (1)
Link House

PAPER (1)
Saatchi & Saatchi

PROPERTY (1)
Green (R.)

SHIPPING (1)
Runciman (W.)

SOUTH AFRICANS (2)
[illegible]

TRUSTS (10)
[illegible]

OILS
[illegible]

MINES
[illegible]

NEW LOWS (4)

STORES (2)
Blackman & Conrad — Vantona

NEWSPAPERS (1)
Assoc. Book Pub.

TEXTILES (1)
Ackins Bros.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	44	1	45
Corpns. Dom. and Foreign Bonds	21	2	44
Industrials	435	134	829
Financial and Prop.	313	28	370
Oils	24	16	10
Plantations	11	4	15
Mines	72	13	48
Others	45	47	33
Totals	965	282	1,219

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., Jan. 30, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Jan. 29 Index No.	Mon., Jan. 28 Index No.	Fri., Jan. 25 Index No.	Thur., Jan. 24 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	235.76	+0.5	18.46	6.62	6.84	234.63	231.88	232.22	230.94	230.71
2	Building Materials (27)	232.55	+1.9	16.91	6.73	7.58	228.15	225.72	225.46	222.26	202.94
3	Contracting, Construction (29)	354.74	+1.1	26.01	6.83	4.75	350.78	349.29	348.01	347.90	348.80
4	Electricals (15)	593.38	−0.3	13.65	4.18	9.77	595.26	585.60	592.37	587.31	544.21
5	Engineering Contractors (11)	291.75	+1.6	25.38	8.77	5.01	287.12	285.04	282.32	285.48	356.03
6	Mechanical Engineering (74)	164.15	+0.2	20.90	7.92	5.93	163.76	162.24	161.85	161.86	179.73
8	Metals and Metal Forming (16)	162.04	−0.1	21.00	9.37	5.68	162.28	160.05	159.12	158.66	160.15
11	CONSUMER GOODS (DURABLE) (50)	219.21	—	16.27	5.57	7.59	219.15	215.11	214.20	213.73	204.74
12	Lt. Electronics, Radio, TV (15)	302.82	—	12.66	4.25	10.14	302.90	296.95	296.00	295.09	261.81
13	Household Goods (14)	115.00	+0.9	26.23	9.54	4.59	114.02	114.52	113.86	113.47	164.88
14	Motors and Distributors (21)	115.84	—	23.20	8.05	5.09	115.86	113.50	112.77	112.81	115.68
21	CONSUMER GOODS (NON-DURABLE) (173)	222.31	−0.7	18.18	6.81	6.78	223.78	222.05	222.41	221.59	209.74
22	Breweries (14)	258.30	−0.6	17.30	6.77	6.79	259.89	258.45	259.97	260.21	229.90
23	Wines and Spirits (5)	297.39	−1.8	18.25	6.23	6.76	302.78	302.96	306.31	313.61	294.92
24	Entertainment, Catering (17)	306.39	+0.2	18.21	6.84	6.91	305.90	300.54	301.19	299.83	277.11
25	Food Manufacturing (19)	204.55	+0.4	19.79	7.12	6.24	203.80	203.01	202.32	202.03	196.82
26	Food Retailing (15)	305.25	−0.7	13.59	4.66	8.79	307.34	310.33	319.14	318.29	230.02
32	Newspapers, Publishing (13)	438.08	−0.1	22.86	6.86	5.97	438.68	428.91	428.69	427.53	381.21
33	Packaging and Paper (15)	128.84	−1.1	23.11	8.82	5.57	130.28	125.58	124.50	124.62	136.43
34	Stores (43)	221.68	−0.6	13.88	5.12	9.31	222.96	221.00	220.45	217.34	192.56
35	Textiles (23)	128.69	−1.6	28.62	12.60	4.42	130.78	129.70	130.33	130.41	175.98
36	Tobaccos (3)	216.17	−2.2	26.37	10.31	4.28	220.95	219.39	217.29	217.29	247.02
37	Toys and Games (6)	43.46	−0.9	37.66	16.47	3.35	43.87	43.69	43.82	43.37	91.62
41	OTHER GROUPS (97)	206.83	+0.2	15.34	6.53	7.90	206.35	203.97	202.46	201.34	194.80
42	Chemicals (17)	304.37	−0.6	16.15	6.62	7.15	306.23	300.26	296.98	294.83	275.94
43	Pharmaceutical Products (7)	216.55	−1.6	11.76	5.91	10.37	219.97	215.78	213.86	211.12	239.05
44	Office Equipment (6)	117.91	+1.6	18.58	6.93	6.33	116.09	115.13	115.37	115.62	127.27
45	Shipping (10)	442.36	+1.5	11.97	7.30	10.66	435.86	433.39	433.65	433.13	424.43
46	Miscellaneous (57)	243.78	+1.5	16.29	6.53	7.79	240.24	239.82	238.27	237.67	212.16
49	INDUSTRIAL GROUP (492)	228.90	−0.1	17.42	6.60	7.09	229.15	226.76	226.52	225.51	217.67
51	Oils (8)	743.93	−1.0	15.10	6.41	7.16	751.53	717.74	704.17	698.75	509.53
59	500 SHARE INDEX	269.69	−0.3	16.94	6.56	7.11	270.49	265.71	264.47	263.07	241.89
61	FINANCIAL GROUP (117)	198.01	+0.7	—	5.58	—	196.69	193.44	192.87	191.94	170.31
62	Banks (6)	229.81	+0.5	36.19	5.66	3.53	228.75	224.23	221.65	219.98	204.61
63	Discount Houses (10)	245.17	+0.1	—	8.31	—	244.93	245.60	246.96	243.27	210.78
64	Hire Purchase (5)	187.85	+2.7	17.84	5.06	7.26	182.83	182.83	182.37	184.64	165.44
65	Insurance (Life) (10)	168.59	+3.4	—	6.24	—	163.05	161.40	160.78	161.04	131.77
66	Insurance (Composite) (9)	131.47	+0.5	—	7.39	—	130.83	128.97	129.34	128.64	119.78
67	Insurance Brokers (10)	291.51	+0.3	16.94	6.73	8.48	290.67	287.87	288.81	293.99	304.94
68	Merchant Banks (14)	101.55	+1.9	—	5.86	—	99.70	98.51	98.34	98.34	79.76
69	Property (44)	359.22	−0.2	3.67	3.00	39.04	360.01	351.20	351.05	346.28	278.14
70	Miscellaneous (9)	129.57	+0.4	16.04	7.04	8.19	128.99	128.24	127.90	128.45	112.79
71	Investment Trusts (109)	217.84	+2.2	—	5.68	—	213.18	212.54	211.90	211.99	211.75
81	Mining Finance (4)	198.44	−0.2	11.62	4.46	10.45	198.88	193.58	193.05	187.18	117.73
91	Overseas Traders (20)	395.80	+1.6	12.94	6.65	9.38	389.38	386.73	379.13	380.49	323.28
99	ALL-SHARE INDEX (750)	252.95	+0.1	—	6.28	—	252.82	248.60	247.43	246.12	223.62

FIXED INTEREST PRICE INDICES

	British Government	Wed., Jan. 30	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.44	+0.03	—	0.68
2	5-15 years	105.78	+0.15	—	1.88
3	Over 15 years	112.41	+0.18	—	0.62
4	Irredeemables	132.65	—	—	0.00
5	All stocks	106.42	+0.12	—	0.86

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Wed., Jan. 30	Tues., Jan. 29	Year ago (approx.)
1	Low Coupons	5 years	12.09	12.09	10.30
2		15 years	12.84	12.84	12.04
3		25 years	12.80	12.82	12.39
4	Medium Coupons	5 years	14.20	14.22	13.49
5		15 years	13.71	13.74	13.50
6		25 years	13.62	13.65	13.50
7	High Coupons	5 years	14.66	14.66	13.53
8		15 years	14.21	14.23	13.93
9		25 years	13.91	13.93	14.03
10	Irredeemables		11.13	11.13	12.49

		Wed., Jan. 30 Index No.	Yield %	Tues. Jan. 29	Mon. Jan. 28	Fri. Jan. 25	Thurs. Jan. 24	Wed. Jan. 23	Tues. Jan. 22	Mon. Jan. 21	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	51.10	14.47	51.02	51.04	50.90	50.84	50.86	50.88	50.87	53.94
16	Investment Trust Prefs. (15)	48.43	13.64	48.43	47.88	47.96	47.96	47.96	47.91	47.63	50.12
17	Coml. and Indl. Prefs. (20)	62.27	14.39	62.21	62.03	62.02	62.01	62.01	61.86	61.86	71.14

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
Imp. Cont. Gas	£1	12	710	+23	710	358
Lucas Inds.	£1	9	262	− 2	310	195
Ocean Transport	25p	9	97	+ 5¼	117	83
Reed Intl.	£1	9	200	− 6	206	149
Shell Transport	25p	9	358	− 6	402	278
BP	25p	8	360	− 2	406	220½
Cons. Gold Fields	25p	8	468	+ 4	482	178
GEC	25p	8	354	− 6	456	311
KCA Intl.	25p	8	59	− 1	60	28
Racal Electronics	25p	8	237	− 4	276	168¼
Barclays Bank	£1	7	435	—	514	360
Blue Circle	£1	7	292	+ 4	356	220
Bowater	£1	7	172	− 4	209	138
Decca "A"	25p	7	340	−10	407	230
European Ferries	25p	7	113½	+ 3	183	92

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jun. 9

For rate indications see end of Share Information Service

Call options were transacted in BP, Charterhall, Debenhams, Rustenburg Platinum, Kulim, Premier Oil, FNFC, Lonrho, Reo Stakis, Siebens (UK), Marievale, KCA, Dowty, UDT and Britannia Arrow. Puts were done in Premier Oil and Racal, while double options were arranged in ICI, Shell and Debenhams.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Gold Mines FT	+24.57	Capital Goods Group	[illegible]
Mining Finance	+22.80	Consumer Goods (Non-durable) Group	[illegible]
Electronics, Radio and TV	+18.26	500-share index	[illegible]
Overseas Traders	+17.15	Mechanical Engineering	[illegible]
Stores	+16.63	Insurance Brokers	[illegible]
Building Materials	+15.32	Electricals	[illegible]
Consumer Goods (Durable) Group	+15.11	Contracting and Construction	[illegible]
Newspapers and Publishing	[illegible]	Oils	[illegible]
Property	+13.88	Financial Group	[illegible]
Pharmaceutical Products	[illegible]	Insurance (Composite)	[illegible]
Packaging and Paper	[illegible]	Food Manufacturing	[illegible]
Metal and Metal Forming	[illegible]	Food Retailing	[illegible]
Office Equipment	[illegible]	Insurance (Life)	[illegible]
Entertainment and Catering	[illegible]	Textiles	[illegible]
Motors and Distributors	[illegible]	Banks	[illegible]
Discount Houses	[illegible]	Wines and Spirits	[illegible]
Merchant Banks	[illegible]	Breweries	[illegible]
Tobaccos	[illegible]	Shipping	[illegible]
Investment Trusts	[illegible]	Engineering Contractors	[illegible]
Hire Purchase	[illegible]	Household Goods	[illegible]
Industrial Group	[illegible]	Toys and Games	[illegible]
Chemicals	[illegible]		
Other Groups	[illegible]		
All-share Index	+10.02		

† Percentage changes based on Tuesday, January 29, 1980 indices.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −	Div. F. or Amount	Times Covered	Gross Yield	P.E. Ratio
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bio-Isolates [illegible] 10p	[illegible]		[illegible]			
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]			
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Conder Intl.	[illegible]		[illegible]			
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Haynes P'blsh'g 20p	[illegible]		[illegible]			
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Spring Grove 10p	[illegible]		[illegible]			
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]			

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Amber Day 10½% Cum. Red. Prf. '99-09	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Aurora 8.6% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	B'ham'th & District W'ter Red. Prf. 1985	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Bristol Waterworks 9% Red. Pref. 1984	[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Clifford Dairies 12% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Dundonian 11¾% Cum. Conv. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Felixstowe Dock 9½% Cum Red Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hewitt (J.) 10% Cum. Pref.	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Thorn Elec. 7% Con. Red. 2nd Cum. Prf.	[illegible]	

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Associated British Engineering	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Elson & Robbins	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hammerson Prop. A	[illegible]	
[illegible]	Nil	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Pancontinental	[illegible]	
[illegible]	Nil	[illegible]	[illegible]	[illegible]	Paringa	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Pilkington Bros	[illegible]	
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Wearwell	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. |||| Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs. [illegible]

Lloyds International Mgmt. [illegible]

M & G Group [illegible]

Midland Bank Tst. Corp. (Jersey) Ltd. [illegible]

Samuel Montagu Ldn. Agents [illegible]

Murray, Johnstone (Inv. Adviser) [illegible]

Nat. Westminster Jersey Fd. Mgrs. Ltd. [illegible]

Negit S.A. [illegible]

Negit Ltd. [illegible]

Phoenix International [illegible]

Providence Capitol Life Ass. (C.I.) [illegible]

Quest Fund Mngmnt. (Jersey) Ltd. [illegible]

Richmond Life Ass. Ltd. [illegible]

Rothschild Asset Mgt. (Bermuda) [illegible]

Royal Trust (C.I.) Fd. Mgt. Ltd. [illegible]

Save & Prosper International [illegible]

Schlesinger International Mngt. Ltd. [illegible]

Schroder Life Group [illegible]

J. Henry Schroder Wagg & Co. Ltd. [illegible]

Sentry Assurance International Ltd. [illegible]

Singer & Friedlander Ldn. Agents [illegible]

Standard Chartered Intl. Bd. Fd. [illegible]

Stronghold Management Limited [illegible]

Surinvest (Jersey) Ltd. [illegible]

Surinvest Trust Managers Ltd. [illegible]

TSB Unit Trust Managers (C.I.) Ltd. [illegible]

TSB Gilt Fund Managers (C.I.) Ltd. [illegible]

Tokyo Pacific Holdings N.V. [illegible]

Tokyo Pacific Hldgs. (Seaboard) N.V. [illegible]

Tyndall Group [illegible]

Unilife Assurance (Overseas) Ltd. [illegible]

Union-Investment-Gesellschaft mbH [illegible]

Utd. Intnl. Mngmnt. (C.I.) Ltd. [illegible]

United States Tst. Intl. Adv. Co. [illegible]

van Cutsem & Associates Ltd. [illegible]

S. G. Warburg & Co. Ltd. [illegible]

Warburg Invest. Mngt. Jrsy. Ltd. [illegible]

Wardley Investment Services Ltd. [illegible]

World Wide Growth Management [illegible]

Wren Commodity Trust [illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Abbey Amer. Gth. Tst.	48.9	51.7	-0.9	1.93
Abbey Capital	36.3	39.2	+0.7	5.60
Abbey General	47.3	50.6xd	+1.0	5.81
Abbey Gilt & F.I. Tst.	102.2	108.7	+1.3	4.60
Abbey Income	47.5	44.9	+0.8	8.49
Abbey Intl. Bd. Tst.	94.5	99.0	+0.1	5.56
Abbey Inv. Tst. Fnd.	36.2	39.1	+0.6	5.97
Equitas Prog. Trust	70.3	76.0	+1.4	5.68

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	91.3	96.2	.....	13.11

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	77.8	82.4	+1.6	5.83
Brit. Inds. Fund	69.6	74.5	+1.4	6.04
Growth & Income	41.2	44.1xd	+1.0	5.71
Elect. & Ind. Dev.	37.7	40.3	+0.8	5.21
Allied Capital	76.9	82.3	+1.6	5.35
Hambro Fund	117.8	126.0	+2.3	5.83
Hambro Acc. Fund	144.7	154.8	+3.3	5.20
Income Funds				
High Yield Fd.	70.4	75.3	+1.2	9.56
High Income	70.4	75.3	+1.5	7.88
A. H. Eq. Inc.	40.4	43.2xd	+0.8	8.08
International Funds				
International	28.9	30.9xd	+0.1	2.68
Pacific Fund	44.9	48.0xd	+0.3	2.58
Secs. Of America	60.7	65.0	-0.4	2.15
Specialist Funds				
Smaller Co.'s Fd.	47.4	50.7xd	+0.5	4.64
2nd Smlr. Co's Fd.	56.6	60.6	+0.6	4.46
Recovery Sits.	114.4	122.4	+1.8	6.33
Met. Min. & C'dty.	57.8	61.8	+1.0	4.77
Overseas Earnings	58.7	62.8xd	+1.2	5.41
Exempt Funds♦				
Far East Exempt	53.0	55.1	+0.1	3.21
Smaller Co. Exempt	73.4	77.1	+0.8	5.06
U.S.A. Exempt	107.7	112.0	-0.5	3.13

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	55.9	60.2	....	5.68

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	142.0	150.0	.....	12.72

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	42.9	46.7	+0.1	11.54
(Accum. Units)	68.9	74.9	+0.2	11.54
Extra Income Fd.	97.3	105.8	+0.3	10.79
(Accum. Units)	105.3	114.5	+0.2	10.79
High Inc. Fund	37.2	40.5	+0.4	10.90
♦(Accum. Units)	55.7	60.6	+0.6	10.90
(8½% W'drwl. Uts.)	49.2	53.5	+0.4	10.90
Preference Fund	21.6	24.1xd	.....	13.72
(Accum. Units)	39.5	43.1xd	+0.1	13.72
Capital Fund†	21.9	23.6	.....	—
Commodity Fund***	77.3	85.0	.....	3.30
(Accum. Units)	117.0	128.7	.....	3.30
(10% W'drwl. U.)	61.9	68.0	.....	3.30
Fin.&Prop.Fd.*	20.1	21.4	.....	5.03
Giants Fund	37.7	40.7xd	+0.8	4.27
(Accum. Units)	47.2	50.9xd	+0.9	4.27
Growth Fund	35.0	37.8xd	+0.5	3.02
(Accum. Units)	44.3	47.8xd	+0.5	3.02
Smaller Co's Fd*	30.0	32.7	.....	4.67
Eastern & Intl. Fd††	31.1	33.9	.....	1.00
(6% W'drwl. Uts.)	22.8	24.8	.....	1.00
Foreign Fund**	105.0	115.8	+2.7	1.52
N. Amer. & Int. Fd††	31.6	34.4	+2.7	1.00
Gilt & Fixed Int.*	41.0	45.0	.....	5.99
(Accum. Units)	42.0	46.0	.....	5.99

Dealings: †Tues. *Weds. ††Thurs. **Second Thurs. in month. ***Weekly dealing day Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	95.7	101.8	.....	5.74

Prices at Jan. 24. Next sub. day Jan. 31.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	31.6	33.9	-0.3	1.87
Do. Aust. Acc.	106.1	114.0	+0.9	1.30
Do. Aust. Inc.	81.8	87.9xd	+0.7	1.30
Do. Capital	75.2	80.8	+1.6	5.27
Do. Exempt Tst.	117.8	122.7	+2.3	6.85
Do. Extra Income	29.2	31.5	+0.6	9.20

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Jan. 25	200.8	214.1	.....	5.54

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	16.8	18.6xd	.....	6.24
Gt. Winchester O'seas	19.6	21.0xd	.....	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.6	74.4	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	74.5	78.4	.....	5.07

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	27.0	28.5	-0.3	1.0
Fixed Interest	25.3	26.7	+0.1	12.4
Growth + Income	28.6	30.2	+0.3	7.80
Special Sits.	28.8	30.4	+0.3	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	28.1	30.5	+1.9	2.30
Accum. Units	34.1	36.3	+2.3	2.30
J. Finlay High Income	33.5	36.2	+1.0	9.40
J. Finlay Euro.Fin.	23.6	25.5	+0.6	3.30
Accum. Units	29.1	31.5	+0.7	3.30
J. Finlay Fd.In.Tst.	31.4	34.5	+1.3	5.00
Accum. Units	38.5	41.6	+1.5	5.00

Prices on January 30. Next dealing February 6.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	54.0	57.4	.....	1.27
American Turnaround	53.2	56.4	.....	2.00
Capital Tst.	52.4	55.6	+0.4	4.86
(Accum. Units)	52.4	55.6	+0.4	4.86
Income Tst.	37.2	39.4	+0.6	8.37
Int. Growth Fd.	44.6	47.4	+0.2	2.12
(Accum. Units)	47.0	50.0	+0.2	2.12

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	49.5	52.9	+1.0	4.81
Do. Accum.	68.2	72.9	+1.4	4.81

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Jan. 17	111.0	113.7	.....	5.10
Gross Inc. Jan. 17	72.9	75.2xd	.....	11.03
High Yield Jan. 17	85.3	88.2	.....	18.24

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	116.3	123.7	.....	3.20
Do. Acc.	144.4	153.6	.....	3.20
G.T. Inc. Fd. Un.	175.2	186.3	.....	8.10
G.T. U.S. & Gen.	155.3	165.2	.....	2.00
GT Wld. Bd. Fd.	99.2	102.0	.....	5.30
G.T. Japan & Gen.	72.7	76.9	.....	2.80
♦Gt. Pens. Ex. Fd.	249.8	262.2	.....	2.70
G.T. Int'l. Fund	179.4	190.8	.....	1.90
G.T. Four Yds. Fd.	49.5	52.6	.....	8.40
G.T. Far East & Gen.	54.6	58.7	.....	2.80

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	37.1	39.6	+1.0	5.25

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	29.1	31.3	+0.2	0.84
British Tst. (Acc.)	61.6	66.3	+0.5	4.44
Commodity Share	40.4	43.5	+1.0	3.11
Extra Income Tst.	22.9	24.7	+0.5	9.50
Far East Trust	35.7	38.4	-0.5	2.83
High Income Tst.	57.5	61.9	+0.9	9.85
Income Fund	77.1	83.0	+1.0	7.69
Ins. Agencies	£14.96	15.97xd	+0.20	4.54
Intl. Exempt Fd.	95.4	103.8	+1.0	6.98
Intl. Tst. (Acc.)	34.5	37.1	+0.5	1.20
Special Sits. Tst.	29.2	30.8	+0.4	2.69

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	30.9	33.4	+0.7	9.80
Income	41.8	45.5	+0.5	9.60
Accumulation	75.0	81.5	+1.4	3.80
Growth	44.4	48.3	+0.4	4.50
Capital	46.7	50.8	+1.3	3.60
Small Co's	44.5	48.4	+0.4	4.50
Technology	66.2	72.0	+1.3	3.30
Private	44.3	48.2	+0.6	4.90
Intl. Ems. & Assets	51.8	56.3	+1.2	2.90
American	27.1	29.1	-0.4	2.10
Far East & Gen.	31.1	33.5xd	+0.4	1.50

Govett (John)♥
77 London Wall, EC2 01-588 5620

Stockholder Jan. 18	118.4	124.8	.....	2.25
Do. Accum. Unit	146.9	154.8	.....	2.25

Next dealing Feb. 1.

Grieveson Management Co. Ltd.

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	65.3	68.7	.....	4.09

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Jan. 21	103.9	109.4	.....	9.12
General Jan. 21	72.1	75.9	.....	6.18
Intnl. Jan. 21	46.0	48.5	.....	3.38

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gen. Jan. 30	54.3	57.7	.....	6.27
Acc. Uts. Jan. 30	74.2	78.9	.....	6.27
Merc. Int. Jan. 30	74.2	78.9	.....	4.56
Acc. Uts. Jan. 30	83.4	88.7	.....	4.56
Merc. Ext. Jan. 24	265.7	276.8	.....	6.04
Accm. Units Jan. 24	332.4	346.2	.....	6.04

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	91.9	99.5	+1.5	4.25
Do. Accum.	111.9	121.2	+1.8	4.28
Overseas Growth	35.6	38.5	+0.2	3.17
Do. Accum.	39.8	43.0	+0.3	3.17
Capital	26.9	29.1xd	+0.4	5.28
Do. Accum.	31.1	33.6	+0.5	5.28
Income	55.0	59.5	+1.3	7.11
Do. Accum.	67.8	73.0	+1.5	7.11
North American	37.8	40.9	-0.4	2.81
Do. Accum.	41.4	44.8	-0.4	2.81
High Yield	60.8	65.5	+1.2	9.12
Do. Accum.	70.0	76.1	+1.3	9.12
Equity Exempt*	110.7	116.4	.....	6.15
Do. Accum.*	115.8	120.0	.....	6.15
Japan & Pacific	37.2	40.2	+0.3	1.21
Do. Accum.	37.4	40.5	+0.2	1.21

*Prices at Jan. 25. Next dealing Feb. 1.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Jan. 28	37.3	39.3	.....	7.45
Exempt Dec. 31	94.2	98.2	.....	6.84

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222-8177

MLA Units	57.6	60.6	.....	3.49

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	63.9	68.1	.....	2.87

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	54.3	58.4	+1.0	7.43
Mutual Inc. Tst.	76.5	81.5	+1.4	7.97

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1979-80 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
99 7/16	95¾	Treasury 9pc 1980‡‡	99 7/16xd	......	9.05	15.84
99⅝	95 11/16	Treasury 9½pc '80‡‡	98 1/16	......	9.69	16.33
97	92¼	Treasury 3½pc '77-80	96½	......	3.63	13.29
97⅞	92⅞	Funding 5¼pc '78-80‡‡	96¼	......	5.43	14.33
103⅝	97½	Exchequer 13pc 1980‡‡	98⅝	......	13.18	14.66
102⅞	95⅝	Treasury 11½pc 1981‡‡	97½	......	11.80	14.31
93¼	88⅞	Treasury 3½pc 1979-81	92¼xd	......	3.79	11.61
99 11/16	92 3/16	Treasury 9¾pc 1981‡‡	94 3/16	......	10.31	14.89
96¼	89½	Exch. 8¼pc 1981	92 3/16	......	8.91	14.38
98 11/16	91¼	Exch. 9½pc 1981	93 5/16xd	......	10.15	14.41
91¼	84¼	Exch. 3pc 1981	88¾xd	......	3.40	11.38
98 1/16	94⅞	Treas. Variable '81§§	97	......	16.75	18.19
104 13/16	95 1/16	Exch. 12¾pc 1981‡‡	96 13/16	+1/16	13.16	14.72
96⅞	87¼	Treas. 8½pc '80-82‡‡	90¼	......	9.41	14.35
89½	82	Treasury 3pc '82‡‡	85½xd	......	3.51	11.13
108⅝	97 3/16	Treasury 14pc '82‡‡	98½	......	14.21	14.81
97¼	92⅞	Treas. Variable '82§§	95¼	......	17.05	18.74
95¼	85¼	Treasury 8¼pc '82	88¼	......	14.12	14.12
97¼	85 11/16	Exch. 9¼pc 1982	88 3/16	......	10.45	14.57
95⅞	84⅝	Exch. 8¾pc 1983	87 5/16	......	10.01	14.18
86⅛	76¼	Exch 3pc '83	78¼xd	......	3.83	11.66
104⅞	90⅜	Treasury 12pc 1983‡‡	92 15/16	−⅛	12.91	14.88
95	90⅛	Treas. Variable '83§§	92⅛	......	17.63	19.50
97¼	82 11/16	Treasury 9¼pc '83	86 11/16	+1/16	10.67	14.25
60⅛	59½	Exch. 13½pc '83 £60pd.	59 11/16	+1/16	13.99	14.74
98 1/16	83½	Exch. 10pc 1983	86 11/16	+1/16	11.53	14.59
89½	76	Funding 5½pc '82-84‡‡	78¼	......	6.98	12.45
97 13/16	86 3/16	Exch. 11¼pc 1984	89 11/16xd	+⅛	12.54	14.72
98⅝	96½	Exchequer 14pc. 1984	97⅝	......	14.38	14.84
77¼	69	Exch. 3pc 1984	69⅞	......	4.29	12.03
101¼	87¼	Treasury 12pc 1984	90 11/16	+1/16	13.23	14.80
Five to Fifteen Years						
103⅞	98⅛	Treasury 15pc 1985	100¼xd	......	14.85	14.72
110	87½	Exch. 12¼pc 1985	93⅞	......	13.38	14.42
95	77¼	Treasury 8½pc '84-86‡‡	81⅞	......	10.44	12.83
112⅞	91	Exch. 13¼pc 1987	95⅜	......	13.94	14.39
84⅜	70⅜	Funding 6½pc '85-87‡‡	74⅝	......	8.90	12.21
88⅜	72¼	Treasury 7¾pc '85-88‡‡	74¾	......	10.38	12.93
70⅛	54¾	Transport 3pc '78-88	58⅛	......	5.18	10.72
95⅝	82¼	Treasury 11½pc 1989	85⅝xd	+⅛	13.32	14.24
73	58¾	Treasury 5pc '86-89	62⅞	+⅛	8.14	11.77
113⅞	87⅝	Treasury 13pc 1990‡‡	94⅝	+¼	13.82	14.12
89¼	68⅜	Treasury 8¼pc '87-90‡‡	73⅝	+⅛	11.37	13.16
106⅛	80½	Treasury 11¾pc 1991	87⅜	+¼	13.55	14.17
72½	58⅞	Funding 5¾pc '87-91‡‡	63	+⅛	9.40	12.20
98⅜	77½	Exch. 11pc 1991	85⅜	+¼	13.34	14.08
111⅝	87⅛	Treasury 12¾pc '92‡‡	92⅜	+¼	13.84	14.14
94⅛	74¾	Treasury 10pc 1992	77¼xd	+⅛	12.87	13.86
107⅞	85¾	Exch. 12¼pc '92	88¼xd	+¼	13.76	14.17
110½	83¾	Treasury 12½pc '93‡‡	90⅝	+¼	13.88	14.17
69⅛	54⅝	Funding 6pc 1993‡‡	60⅝	+⅛	10.28	12.40
119¼	90¼	Treasury 13¾pc 1993‡‡	99⅜	+⅛	14.21	14.27
121¾	98	Treasury 14½pc '94‡‡	100⅜xd	+⅛	14.28	14.25
109	86½	Exch. 12½pc 1994	89¼xd	+⅛	13.89	14.15
89¼	68	Treasury 9pc '94‡‡	74½	+⅛	12.39	13.25
Over Fifteen Years						
106⅞	82	Treasury 12pc '95	87⅜	+⅛	13.77	14.07
51⅜	42	Gas 3pc '90/95	46⅞	......	6.50	9.93
95⅛	73¼	Exch. 10¼pc 1995	77⅝	+⅛	13.25	13.84
112½	85¼	Treasury 12¾pc '95‡‡	94½	+⅛	13.89	14.03
85⅝	68⅛	Treasury 9pc '92/96‡‡	75⅛	+¼	12.54	13.29
124¼	99¼	Treasury 15¼pc '96‡‡	109⅜	+⅛	14.43	14.33
116¼	89	Exchequer 13¼pc '96‡‡	97⅜	+¾	14.01	14.09
50⅛	41¾	Redemption 3pc 1986-96	45⅞	......	6.69	9.76
115⅝	89	Treasury 13¼pc '97‡‡	95	+⅛	14.00	14.07
95⅛	75	Exchequer 10½pc 1997	78xd	+⅛	13.36	13.79
83⅝	66	Treasury 8¾pc 1997‡‡	69¼xd	+⅛	12.52	13.21
68	54⅝	Treasury 6¾pc '95-98‡‡	60	......	11.57	12.64
128⅝	103	Treas. 15½pc '98‡‡	112⅝	+¼	14.43	14.33
108⅝	81¾	Exch. 12pc 1998	89¼	......	13.81	13.97
89⅝	67⅞	Treasury 9½pc 1999‡‡	74	+⅛	12.91	13.35
106⅛	84¼	Exch. 12¼pc 1999	92½	+¼	13.88	14.02
97⅛	73½	Treasury 10½pc 1999	80⅜	+⅛	13.41	13.72
102¼	88⅝	Treas. 14pc '98-01	100¼	+¼	14.19	14.20
107	81⅜	Exch. 12pc '99-02	87¼	+⅛	13.82	13.93
118	91⅜	Treas. 13¾pc 2000-03	97⅞	+¼	14.08	14.10
102	91¼	Treas. 13¾pc 2000-03A	99¾	+¼	14.11	14.11
97¼	79¼	Treasury 11½pc '01-04	88⅛	+¼	13.70	13.81
42½	32½	Funding 3½pc '99-04	36¾	......	9.57	11.05
111⅛	84	Treasury 12½pc '03-05	92⅝	+⅛	13.86	13.89
26¼	23¾	Do. A £25pd.	24½	+¼	13.82	13.86
75	60¼	Treasury 8pc '02-06‡‡	66½	......	12.52	12.78
97¼	80⅝	Treasury 11¾pc 03-07	86¼	+¼	13.67	13.73
54	41⅜	Treasury 5½pc '08-12‡‡	48¼	......	11.93	12.23
73⅝	57⅛	Treasury 7¾pc '12-15‡‡	61¾	......	12.57	12.68
109¾	81½	Exch. 12pc '13-'17	91½	+¼	13.36	13.35
Undated						
36	28½	Consols 4pc	31¼xd	......	12.80	—
35⅝	27¼	War Loan 3½pc‡‡	33⅛	......	10.76	—
39½	33⅜	Conv. 3½pc '61 Aft.	37⅛	......	9.73	—
27⅛	22	Treasury 3pc 66 Aft.	24⅝	......	12.68	—
24¼	19½	Consols 2½pc	22¼	......	11.33	—
22⅝	18¼	Treasury 2½pc	20⅜	......	12.80	—

INTERNATIONAL BANK

86	78	5pc Stock '77-82	82¼xd	+¼	6.07	13.46

CORPORATION LOANS

101	82¼	Bath 11¼pc 1985	90¼	+¼	12.86	14.56
107¼	86¼	Birm'ham 12½pc 1985	94	+¼	13.59	14.68
99¾	96½	Bristol 13¾pc 1981	98	......	14.03	15.75
110¼	88¾	Burnley 13pc 1987	94¼	+¼	14.11	14.75
100	81	Cardiff 11pc 1986	89	+¼	12.78	14.26
103½	93	G.L.C. 12½pc '82	94¾	......	13.19	15.25
104¼	89	Do. 12½pc 1983	93	+¼	13.44	15.14
95	84	Glasgow 9¼pc '80-82	86¾	+¼	10.66	15.23
78½	64½	Herts 6½pc 1985-87	69¾xd	+¼	9.67	13.21
98	81	Liverpool 9½pc '80-84	83½	......	11.68	15.09
30	23	Do. 3½pc Irred.	26¼xd	+¼	13.44	—
106 13/16	92	Lon. Corp. 13¼pc '83	94¼	......	14.06	15.27
93½	81	Do. 9¼pc '84-85	86	+¼	11.15	13.64
84	71	L.C.C. 5½pc '82-84	72½xd	......	7.58	13.97
74½	59	Do. 5½pc '85-87	65xd	+¼	8.56	13.23
74	59	Do 6¾pc '88-90	65xd	+¼	10.44	13.04
26	20¼	Do. 3pc '20 Aft.	23½	+¼	13.25	—
99¾	93	Newcastle 9¼pc '78-80	95¾	......	9.66	16.69
105½	85¾	Sunderland 12¼pc 1984	90	......	13.61	15.19

COMMONWEALTH & AFRICAN LOANS

88	81	Aust. 5½pc '81-82	85¼	......	6.59	14.66
84	74½	Do. 6pc 1981-83	77¼	......	7.87	14.21
71½	58	N.Z. 7¼pc 1988-92	60½xd	......	12.09	14.19
84¾	71	Do. 7½pc '83-86	74	......	10.26	14.00
95	84¼	Sth. Africa 9½pc '79-81	92½	+¼	10.56	16.24
132	43	Sth. Rhod. 2½pc '65-70	130	......	—	—
152	81	Do. 6pc '78-81	142	......	—	—

LOANS

Public Board and Ind.						
66¾	56	Agric. Mt. 5pc '59-89	59xd	−¼	8.53	12.63
92	72½	Alcan 10½pc '89-94	77½	......	15.03	15.80
30½	24½	Met. Wtr. 3pc 'B'	28¾	+½	11.10	13.08
129	97	U.S.M.C. 9pc 1982	98	......	9.33	—
95	81	Do. without Warrants	87½	......	10.46	16.00
Financial						
103¾	96	FFI 13pc 1981	97¾	......	13.30	15.47
108¼	94	Do. 14pc '83	96	......	14.58	15.37
86½	77½	ICFC 5½pc Deb. '80-82	83½	......	6.74	14.03
85	69	Do. 6¼pc Db. '81-84	74½	......	8.56	14.20
99	79½	Do. 10½pc Uns.Ln. '86	86½xd	+½	12.13	13.90
99	77	Do. 11pc Uns.Ln. '88	85xd	......	12.94	13.88
101½	80	Do. 11¾pc Uns.Ln. '90	88xd	+½	13.35	14.00
72½	54½	Do. 7¾pc A Deb. '89-92	60	......	12.37	14.30
69	51½	Do. 7¾pc A Db. '91-94	61	+1	12.48	14.10
72	64	Do. 9pc 'A' '91-94	72	+1	13.15	14.15
78½	61	Do. 8⅞pc Ln. '92-97	65xd	......	13.65	14.20
102	85	Do. 12½pc Uns. Ln 1992	94½	+½	13.76	—

FOREIGN BONDS & RAILS

1979-80 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
57	22	Antofagasta Rly.	57	......	—	—
52	37	Do. 5pc Pref.	50xd	......	—	—
98	98	Chilean Mixed	98	......	—	3.39
65	18	Chinese 4½pc 1898	57	......	—	—
50	21	Do. 5pc 1912	44	......	—	—
28	13	Do. 5pc 1913	23	......	—	—
27	10	Do. 5pc 1925 Boxer	20	+1	—	—
430	400	German Yng. 4½pc.	430xd	......	4½	—
52	35	Greek 7pc Ass.	35	......	3½	10.52
51	34	Do 6pc 28 Stab. Ass.	35	......	6	10.88
42	32	Do 4pc Mixed Ass.	34	......	4	7.28
54	42	Hung. '24 Ass.	53	......	—	5.33
68	55	Iceland 6½pc '83-88	55	......	—	15.80
90½	78½	Ireland 7½pc '81-83	84xd	......	7½	13.37
87½	69	Do 9¾pc '91-96	79	......	9¾	13.56
390	215	Japan 4pc '10 Ass	215xd	......	—	—
73	62	Do 6pc '83-88	68xd	......	6	8.82
160	135	Peru Ass. 3pc.	155	......	3	2.00
$90	$75	S.G.I. 6½pc 1980	$90	......	6½	7.22
$94½	$92	Turin 9pc 1991	$92	......	9	9.78
DM92	DM91	Turin 6½pc 1984.	DM92	......	6½	8.85
97	95	Uruguay 3½pc	96	......	3½	3.80

AMERICANS

1979-80 High	Low	Stock	£	+ or −	Div. Gross	C'vr	Y'ld Gr's
23⅜	11¾	ASA	23⅛	+⅞	$2.40	—	4.7
59	30	AMF 5% Conv. '87	30	......	5%	—	19.9
21¾	14⅝	Abbott Labs.	16⅞xd	−⅛	$1.00	—	—
25¾	17	Amax $1	22⅞	−½	$2.40	—	4.7
23½	13⅛	American Express	14⅛	......	$1.80	—	5.7
19½	10½	American Medical Int.	15⅜	+⅜	80c	—	2.4
23	847p	Asarco Inc.	23	+1½	$1.50	—	2.9
28⅜	19¾	Baker Intnl. Corp. $1	27⅜xd	−1	60c	—	1.0
[illegible]							

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
£25¾	£17⅜	Bankers N.Y. $10	£19½	......	Q$3.30	—	7.6	—
514	360	Barclays £1	435	......	†16.5	6.2	5.4	3.7
286	230	Brown Shipley £1	278	......	†13.0	—	6.7	—
375	250	Cater Ryder £1.	313	......	18.88	—	8.6	—
110	59	Clive Dis'nt 20p	78	......	5.33	—	9.8	—
224	121	Com'l Aus. ($A1)	139	−2	Q18c	3.0	6.6	5.0
*£17	862	Com'zbk DM 10½	900	......	Q26.69%	—	7.7	—
£18½	900	C'hgn. Hbk. Kr100	975	......	Q12%	—	11.4	—
41	20	Corinthian 10p	40	......	†1.05	5.9	3.8	4.6
£24¾	£15	Cred. France F75	£17½	......	Q9.87%	—	3.7	—
11	5	Dawes (G. R.)	10	......	—	—	—	—
*£119½	£62½	Deutsche Bank DM50	£64	−¼	Q28.12%	—	5.8	—
90	55	F. C. Finance	65	+2	2.2	4.9	4.8	6.0
17	5¾	First Nat. 10p	17	+¼	—	—	—	ф
4	1½	Do. Wrrts. 75-83	2¾	......	—	—	—	—
266	178	Gerrard Natnl.	238	......	†9.12	—	5.5	—
80	38	Gibbs (A.)	80	......	2.2	—	3.9	—
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Hire Purchase, etc.

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INDUSTRIALS—Continued

High 1979-80	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
78	48	Hay (Norman) 10p	50	......	3.7	1.8	10.6	7.6
*164	98	Hay's Wharf £1	153	−4	f7.21	3.1	6.7	(6.0)
65	27	Heather 'A' 10p	57	......	2.5	♦	6.9	♦
132	72½	Hepworth Ceram.	101½	+2	14.9	3.6	6.9	7.0
76	35	Hestair	36	+2	‡3.5	—	—	—
43	38	Hewitt (J.) 5p	43	......	1.28	6.3	4.4	4.5
72	40	Highgate & Job 50p	42	......	—	—	—	—
100	59	Hill (Chas.) £1	60	......	d2.0	—	4.8	—
*49½	28	Hirst Mal'son 20p	28	......	t2.6	3.6	13.3	2.9
90	74	Holden (A.)	78	......	14.0	3.4	7.3	5.4
75	43	Hollis Bros	45	−1	15.12	1.8	16.3	4.3
256	148	Holt Lloyd Int. 10p	245	+2	H9.0	2.3	5.2	13.4
222	107	Hoover 'A'	125	+2	12.0	1.1	13.7	8.6
163	93	Hoskins & H 20p	93	......	10.39	1.4	16.0	5.8
71¼	23½	Howard Tenens	78	+1	t1.9	—	3.9	—
308	142	Hunting Assoc.	308	......	22.5	11.4	1.2	8.7
89	48	Huntleigh 10p	83	+4	t0.76	6.5	1.3	15.1
90½	40	Hutch Whamp $HK1	85	......	Q23c	2.5	2.6	15.6
33	22	Hyman (I. & J.) 5p	25½	......	td0.96	3.6	5.4	7.4
£20¾	£10¼	I.C. Industries‡	£10⅝	......	Q$1.84	—	7.8	—
545	398	ICL £1	528	+11	11.9	6.9	3.3	4.8
34	25	Ingall Inds. 10p	31½	......	2.06	1.7	9.3	9.1
146	88½	Initial Services	125	+3	15.5	2.5	6.3	7.4
31	10	Inter-City 20p	10½	......	1.17	4.8	15.9	1.8
68	45½	J. B. Holdings 10p	52	......	t1.47	7.2	3.8	5.3
175	72	Jacksons Bourne	148	......	t43.0	3.3	2.9	14.1
19	14½	James (M.) Inds. 20p	15½	......	20.75	3.3	6.9	9.3
206	100	Jardine M. $HK5	157	−4	Q77c	2.2	4.9	10.6
36	26½	Jentique	27	......	2.48	1.6	13.1	5.0
15½	6	Johnson & Barnes	6½	−½	—	—	—	2.4

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SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OIL & GAS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

High 1979-80	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	400	+10	Q54c	2.2	7.7
680	132	Falcon Rh.50c	680	+30	Q100c	1.7	10.1
48	11	Rhod'n Corp. 16⅔p	43	+2	0.56	6.5	1.9
267	70	Roan Cons. K4	232	......	Q0.125	♦	3.3
67	26	Wankie Col. Rh.1	60	+2	Q9c	1.5	10.3
57	9	Zam.Cpr.SBD0.24	48	......	—	—	—

AUSTRALIAN

High 1979-80	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	23	......	—	—	—
18	4	ACM 20c	13	......			
91	50	Bond Corp.	91		Q3.75	2.2	2.1
179	100	Bougainville 53 Toea	179	+3	tQ19.6c	1.6	5.5
265	84	BH South 50c	265	......	♦—	—	—
12	12	Canada Northwest	12	......			—
26	8	Carr Boyd 20c	25		—	—	—
£25	340	Central Pacific	£23¾	+¼			
318	170	Conzinc Riotinto 50c	253	......	NQ10c	2.0	1.8
36	14	Colur Pacific N.L.	23	+1	—	—	—
*50	2½	Eagle Corp. 10c	43	−5	—	—	—
23½	11	Endeavour 20c	23½	......	—	—	—
228	62	G. M. Kalgoorlie 25c	206	+4	tQ3c	—	0.8
305	148	Hamptn Areas 5p	300	......	3.5	2.8	1.7
75	20	Haoma Gold N.L.	32		—	—	—
72	25	Metals Ex. 50c	69	−3	—	—	—
304	134	M.I.M Hldgs 50c	304	+2	tQ15c	1.8	2.8
25	15	Minefields Expl.	19	......		—	—
138	30	Mount Lyell 25c	138	+2	—	—	—
44	13	Newmetal 20c	22	−2	—	—	—
169	91	††North B. Hill 50c	169	+3	Q12c	1.4	3.6
57	4½	Nth. Kalgurli	55	+3	—	—	—
165	45	Nth. Mining Corp.	145	+5	—	—	—
71	18	N West Mining N.L.	27	+1	—	—	—
193	76	Oakbridge SA1	150	+6	Q12c	4.7	3.3
112	22	Otter N. L.	100	+4	—	—	—
146	58	Pacific Copper	145	+2	—	—	—
*575	125	Pancont'l 25c	400	+10	—	—	—
*62	2	Paringa M&Ex 5p	55	......	—	—	—
460	248½	Peko-Wallsend 50c	463	+10	tQ27.5c	♦	2.0
217	125	Seltrust A	158	......	—	—	—
900	145	Southern Pacific	850	......	—	—	—
*67	8½	Swan Resources 20c	67	+2	—	—	—
16	12	West Coast 25c	13	......	—	—	—
244	121	Westn. Mining 50c	243	+2	Q7c	1.6	1.6
28	8	Westmex	23	+3	—	—	—
94	40	Whim Creek 20c	83	......	—	—	—
25	10½	York Resources	15½	......	—	—	—

TINS

High 1979-80	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
30	23	Amal. Nigeria	27xd	......	1.0	1.9	5.3
435	265	Ayer Hitam SM1	300	+5	Q290c	0.9	19.7
72	48	Beralt Tin	67	+1	4.5	♦	9.6
270	149½	Berjuntai SM1	155	......	‡Q95c	1.0	‡
190	125	Geevor	165	......	8.71	3.1	7.5
11	8	Gold & Base 12½p	11	......	—	—	—
365	295	Gopeng Cons.	335xd	......	25.0	♦	10.7
370	289	Hongkong	300	......	35.87	♦	17.1
98	64	Idris 10p	93xd	......	t8.0	1.6	12.3
15	9½	Jantar 12½p	15	......	—	—	—
95	38	Kamunting SM0.50	64	−1	Q47½c	1.1	16.7
620	210	Killinghall SM1	320	......	ZQ60c	—	4.1
585	365	Malay Dredging SM1	565	+5	tQ105c	2.6	3.8
57	26	Pahang	27	......	0.44	0.3	2.4
123	60	Pengkalen 10p	100xd	......	6.0	♦	5.7
275	195	Petaling SM1	235	......	Q150c	♦	15.0
87	53	Saint Piran	58	......	‡2.5	6.4	‡
58	34	South Crofty 10p	40	......	‡3.0	2.0	‡
230	170	South Kinta SM0.50	215	+10	Q150c	1.0	14.2
430	285	Sthn Malayan SM1	355	+5	Q175c	2.1	9.8
310	210	Sungei Besi SM1	298	+3	tQ520c	1.0	42.9
75	25	Supreme Corp. SM1	35	......	ZQ10c	—	5.8
105	93	Tanjong 15p	100xd	......	7.5	0.7	11.0
115	90	Tongkah H. Tin	90	......	Q45c	1.3	11.2
280	190	Tronoh SM1	245	+5	tQ25c	5.2	2.1

COPPER

High 1979-80	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
190	56	Messina R0.50	190	+8	Q10c	♦	3.0

MISCELLANEOUS

High 1979-80	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	62	−3	—	—	—
14½	10	Burma Mines 17½p	13½	+½	—	—	—
460	170	Cons. Murch. 10c	412	+5	Q100c	♦	13.9
585	280	Northgate C$1	575	+85	—	—	—
417	226	R.T.Z.	410	−6	†11.5	3.4	4.0
31	12	Robert Mines	25	−2	—	—	—
65	26	Sabina Inds. C$1	44	+4	—	—	—
880	470	Tara Expen. $1	540	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ✥ Regional price.
- II No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

"Recent Issues" and "Rights" Page 30

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	27	......			
Bertam	18	......	IRISH		
Bdg'wtr. Est. 50p	365	......	Conv. 9% '80/82	£86	......
Clover Croft	58	......	Nat. 9¾% 84/89	£71	......
Craig & Rose £1	£10½	......	Fin. 13% 97/02	£85½	+¼

[illegible]

OPTIONS

3-month Call Rates

[illegible]

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Thursday January 31 1980

Target for profits at PO may be raised

BY JOHN LLOYD

THE GOVERNMENT is likely to raise the Post Office's profit target by about £70m a year and to allow it to borrow as much as £200m a year to finance its massive development programme.

Sir William Barlow, chairman of the Post Office, told the Commons select committee on trade and industry yesterday that a profit target of 6.5 per cent of net assets after interest, valued at replacement costs, was one the corporation wanted in the 1980-81 financial year. Its targets for the year were already based on that figure. The present target is 5 per cent, lowered from 6 per cent last April.

The increase is considered necessary because the assets of the Post Office have been reassessed, and their replacement costs have declined. This in turn is due to the price cuts on equipment made possible by micro-electronic components, among other elements. The target percentage must thus rise, if the ratio of profit is to be maintained.

Last year, the telecommunications business showed a surplus of £347m, a return of 6.9 per cent on net assets.

At the same time, the Post Office is asking the Government to allow it to borrow between 10 and 20 per cent of its capital expenditure programme, now running at more than £1bn.

Over the past three years, the corporation has financed that programme through internally - generated funds. However, Sir William told the select committee that "it is clear we can only remain self-financing by putting our prices up, or by restricting our investment programme."

Sir William also told the committee that:

- Standards of postal delivery had greatly improved since the autumn. In November, 85 per cent of first class letters were delivered next day, while 85 per cent of second class letters were delivered by the third day after posting, and the trend continued upwards.
- The postal service was "at a turning point" where major structural changes would have to be considered. One outcome might be one—rather than two—deliveries a day.
- An ending of the postal monopoly would bring "a net disbenefit to the community." Sir William said that he had had no indications from the Government that it was considering a breach in the monopoly.
- Proposals, now under discussion between Government and corporation officials, to transfer social security payments from Post Office counters to bank transfers could reduce counter business by 20 per cent.
- The corporation is already effectively split at board level. From this month, a Post Office board, taking in the postal and Girobank businesses, and a telecommunications board will meet separately. Sir William expected legislation on the formal separation to be introduced in the second session of Parliament.

On several occasions, Sir William said that Government tended to interfere too much with the corporation, and that this tendency had not changed under the present administration. He agreed with Mr. Ian Mikardo that the history of the relationship between governments and nationalised industries was that ministers did not make sectoral decisions, but interfered continually in day-to-day management.

Unexpected drop in male labour force

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

LARGE NUMBERS of men have unexpectedly been leaving the formally recorded labour force, while the number of employed and unemployed women has risen sharply.

Department of Employment figures, published yesterday in its monthly Gazette, highlight this apparently paradoxical trend and suggest that major changes are occurring in the labour market.

This may mean that some fears of trade unions and industrialists about implications for unemployment of a rising labour supply in the 1980s are unfounded.

The latest figures show that total employment fell by 2,000 to 22.87m, seasonally adjusted, between June and September last year after a steady rise since early 1976.

The Department is reluctant to draw any firm conclusions yet, but the decline is likely to continue, in view of the sharp rise in unemployment since September and the slowing in output growth.

There was a continued contrast between the number of men in work, down 6,000 over the three months, and female employment, up 4,000.

This continues the trend of the previous three and a-half years since total employment began to pick up in March 1977. These changes have not been mirrored in the unemployment figures. While male employment has fallen by 72,000 since March 1976, male unemployment has also dropped by 89,000.

This is doubly curious, since the male population of working age has risen by about 75,000 a year.

"A larger-than-expected increase in the proportion of men retiring early is one probable explanation," the Department says.

Large numbers of men may have moved out of the formal employed work force into unrecorded jobs.

Some may be self-employed and some in the cash, or black economy.

CHANGES IN WORKFORCE

March 1976 to September 1979
UK adult figures, seasonally adjusted

	Employment	Unemployment
Male	−72,000	−89,000
Female	+401,000	+109,000
Total	+329,000	+20,000

Source: Department of Employment Gazette

This points to greater resilience in the labour force than is commonly assumed.

The number of women at work has risen by 401,000 since March, 1976, while female unemployment has increased by 109,000. This largely reflects the rise in the number of married women joining the labour force.

The Bank of England suggested in its quarterly bulletin in December that "the disparity between changes in male and female employment probably reflects the strength of the services sector (a major employer of women) relative to many of the older manufacturing industries, where the bulk of employees are men.

"In addition, employers may have found that vacancies could be filled more cheaply by women, and that the higher wastage rates accompanying this choice provided extra flexibility in a period when prospects were uncertain."

The rise in female unemployment is probably a reflection both of the higher female participation in the labour force generally and changes in regulations which have encouraged women who lose their jobs to register as unemployed.

Expansion in closed shop Page 8

Naphtha price falls 11%

BY SUE CAMERON, CHEMICALS CORRESPONDENT

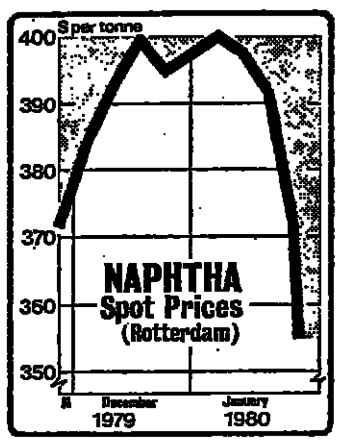
THE SPOT MARKET price of naphtha—the oil-based raw material used to make petrochemicals and petrol—has fallen substantially for the first time in more than a year.

The 11 per cent drop in prices on the Rotterdam spot market can be expected to put petrochemical producers under pressure to start lowering the prices of some of the products, including plastics, made from naphtha. But most of the largest European chemical companies claim margins are still inadequate on many products after the steep contract and spot naphtha price rises over the last 15 months.

A month ago the naphtha spot price reached an all-time high of $400 a tonne. Last week it was about $370 a tonne, and it has now fallen to about $355 a tonne—below the average European contract price of about $375 a tonne.

One explanation for lower spot prices is that demand for petrol is usually at its lowest at this time of year—roughly two thirds of Europe's naphtha goes into the making of petrol.

This increase in oil prices of about $2 a barrel by five of the Gulf states including Saudi Arabia, could mean the fall is only temporary.



Last year contract prices followed spot quotations upwards in an ever rising spiral. In January, the average quarterly contract price leapt 25 per cent, from about $300 a tonne to $375 a tonne.

Petrochemicals producers complained that the price of spot naphtha—which accounts for only 5 to 10 per cent of the total European market—was unjustifiably influencing contract prices. Yet the higher naphtha costs enabled them to raise some of their product prices after a prolonged period of weakness.

But yesterday Imperial Chemical Industries stressed that its product prices were not adjusted to "anything like" the levels needed to recover a contract naphtha cost of $375 a tonne. It had already started explaining this to customers.

ICI—one of the leaders of the move to bring product prices into line with rising raw material costs—said many of its product prices failed to give an adequate return on contract naphtha prices of $340 to $350 a tonne. It had expected contract prices to be in this range in the first quarter of this year—not $370 to $375 a tonne.

The group said it would welcome a real and sustained fall in both contract and spot naphtha prices. But ICI and Shell Chemicals UK, which buys all its naphtha raw material from its parent oil company, both said that spot prices would have to remain at lower levels for some time before they had any significant impact on the petrochemicals market. Shell admitted that a sustained fall in spot prices would be certain to encourage the customers of petrochemicals producers to demand lower product prices.

W. German coal conversion plan

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government has given the go-ahead to a major programme for the gasification and liquefaction of coal involving a total investment of DM 13bn (3.32bn), in a further move to try to cut dependence on imported oil.

Approval of the plan appears to raise sales prospects for other coal-producing nations, since West Germany will not be able to meet all its needs.

The project was approved by the Cabinet yesterday. It will involve constructing 14 large processing plants to be sited mainly in the Ruhr area and the Saarland, the country's main coal areas.

The first plants are expected to come on stream in the mid-1980s assuming that any legal and environmental difficulties are overcome.

The private sector will be responsible for most of the investment—but the Government will step in to help over some of the financial risks, particularly in the initial phase, so that work can begin quickly.

The go-ahead follows satisfactory results from experimental and pilot processing projects, to which the Government has contributed DM 650m (£166m) since 1974.

It is recognised that, even when fully operational, the plants will cut the country's imported oil needs by only a few percentage points. Nonetheless, the direct investment will also provide more jobs, and it is felt there could be good export prospects for the reprocessing plant which the Germans have developed.

Realisation of the projects will mean a need by the early 1990s of an extra 12m tonnes annually of hard coal and of 10m tonnes annually of low quality brown coal for processing.

These figures imply going ahead with new nuclear power stations, so that some of the coal used to produce electricity can be released. It also means more imported coal. German enterprises say they can at best raise production from 87m tonnes (hard coal equivalent) annually to 95m tonnes by 1990.

Commons TV gets one-vote lifeline

BY PHILIP RAWSTORNE

A BILL for the televising of Parliament was introduced in the Commons yesterday on the casting vote of Mr. Bernard Weatherill, the Deputy Speaker. Voting on the issue had resulted in a tie—201 MPs lining up on each side.

Mr. Weatherill broke the deadlock by allowing Mr. Austin Mitchell, Labour MP for Grimsby and a former television reporter, to present the Bill.

It would "give the House an opportunity of reconsidering the matter," the Deputy Speaker said.

In spite of this initial success, however, the move to televise Commons proceedings has little chance of making further progress.

Mr. Mitchell's Bill now goes to the end of a long queue of private members' legislation and time is unlikely to be found to give it even a Second Reading. Nor is the Government expected to be persuaded by yesterday's vote to table a motion that would give MPs another chance this session to decide the issue.

Both Mr. Michael Jopling, the Government Chief Whip, and Mr. Michael Cocks, the Labour Chief Whip, were among the MPs who opposed the measure.

The Commons has previously rejected three moves to allow television cameras into its proceedings.

It is estimated that it would cost some £4.5m to provide the facilities for the public screening of Commons debates and committee inquiries.

Mr. Mitchell's proposal, designed to meet previous opposition arguments, is for the establishment of a Parliamentary television unit to ensure Commons supervision of the service.

Mr. Mitchell told MPs yesterday: "This is a serious attempt to bring this House to the people of our country."

No modern Parliament could remain a closed debating chamber.

But Mr. John Stokes, Conservative MP for Halesowen, led the opposition to the Bill with a hilarious review of the prospects.

Television was a branch of show business, he said. It would exaggerate, sensationalise, trivialise and scandalise. Obsessed with irrelevant details, it would encourage the flamboyant and the show-off.

Parliament Page 8

Weather

UK TODAY

Cold, cloudy. Some snow or sleet. Mild in South.

London, S. England, Channel Is.
Cloudy with rain. Mild. Max. 11C (52F).

E. Anglia, E. Midlands, E. England
Cloudy. Possibly snow in evening. Max. 9C (48F).

W. Midlands, S. Wales
Cloudy with heavy rain at times. Max. 10C (50F).

N. Wales, N.W. and Cent. N. England
Rain, turning to sleet. Drier later. Rather cold. Max. 4C (39F).

Lakes, Is. of Man, N.E. England, Borders, N. Ireland
Outbreaks of sleet or snow, becoming brighter. Max. 4C (39F).

Scotland, Orkney, Shetland
Bright intervals. Heavy snow showers. Cold. Max. 2C (36F).

Outlook: Cold. Wintry showers. Night frosts.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Lisbon	C	14	57
Algiers	F	17	63	Locarno	F	5	41
Amsdm.	F	8	46	London	F	11	52
Athens	S	12	54	Luxmbg.	Fg	5	41
Bahrain	C	19	66	Luxor	S	20	68
Barclna.	F	12	54	Madrid	Fg	7	45
Beirut	F	11	52	Majorca	S	14	57
Belfast	C	6	43	Malaga	F	15	59
Belgrd.	C	6	43	M'chstr	F	8	46
Berlin	C	4	39	Melbne.	S	19	66
Biarritz	F	17	63	Mex. C.	S	23	74
Bnghm.	S	9	48	Milan	C	6	43
Blackpl.	S	8	46	Mntreal.	C	−17	1
Bordx.	F	9	48	Moscow	S	−17	1
Boulgn.	C	8	46	Munich	C	7	45
Bristol	S	9	48	Nairobi	C	22	72
Brussels	C	9	48	Naples	C	10	50
Budpst.	C	−4	25	Nwcstl.	S	8	46
B. Aires	S	27	80	N. York	S	−4	24
Cairo	S	15	59	Nice	F	13	55
Cardiff	S	8	46	Oporto	R	14	57
Cas'b'ca	F	16	61	Oslo	Sn	−9	16
Cape T.	S	24	75	Paris	C	10	50
Chicago	Sn	−7	19	Perth	C	26	79
Cologne	C	7	45	Prague	R	3	37
Cpnhgn.	Sn	0	32	Reykjvk.	C	−2	28
Corfu	C	11	52	Rhodes	S	11	52
Dublin	S	8	46	Rome	R	11	52
Dbrvnk.	C	8	46	Salzbrg.	F	5	41
Ednbgh.	S	7	45	Singapr.	S	32	90
Faro	C	15	59	Stckhm.	S	−8	18
Florence	Fg	9	48	Strasbg.	C	8	46
Frankft.	C	6	43	Sydney	S	24	75
Funchal	S	20	68	Tangier	S	18	64
Geneva	F	9	48	Tehran	S	3	38
Gibrltr.	C	16	68	Tel Aviv	F	13	55
Glasgow	R	6	43	Tenerife	S	19	66
G'msey	C	9	48	Tokyo	R	6	43
Helsinki	S	−13	9	Toronto	S	−10	14
H. Kong	S	11	53	Tunis	C	14	57
Innsbrk.	C	2	36	Valencia	S	14	57
Invernss.	Sl	1	34	Venice	C	4	39
Istanbul	C	3	37	Vienna	S	−3	27
Jersey	F	9	48	Warsaw	Sn	−4	25
Jo'burg.	S	23	73	Zurich	F	9	48
L. Pims.	F	18	64				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

BAT runs out of puff

Index fell 6.4 to 457.6

BAT's profits have stagnated for the second year running—the pre-tax figure is marginally down at £428m—and currency movements have again left their mark. Overseas profits have been translated at December 31 exchange rates, and profits would have been about a tenth higher at the previous year's rates. This estimate excludes the devaluations in Brazil and Argentina, which reflected a fundamental change in the purchasing power of these currencies. In sterling terms, Brazilian profits may have been very roughly £10m lower.

In addition, BAT has had to face difficult conditions in important parts of its tobacco business, which still accounts for 63 per cent of operating profits. The rate of volume growth in Brazil has tailed back to around 4 per cent, the U.S. company has lost a little more market share and has not yet found a winner in the low tar sector, and the German market is under pressure. These three countries may account for nearly three fifths of BAT's tobacco sales. So although some other markets are doing well, there would have had been no growth on the tobacco side even without currency swings.

By contrast the retail and paper divisions look a lot brighter. Retail profits are sharply higher, thanks in large measure to the U.S. where Gimbels seems to be turning the corner at last. Paper profits are up by two-thirds, with over half the increase coming from the purchase of Appleton in the U.S.

BAT seems unlikely to break out of its profits rut in the short term. However its dividend has gone up by 19 per cent at the net level—better than forecast—and may still be covered over 2½ times by inflation adjusted earnings. The shares yield nearly 10 per cent at 262p, and there still seems to be an overhang from Imperial Group's big placing last year. But the stock market rumours that BAT is about to buy half the UK's department store chains look ridiculous.

Associated Dairies

Associated Dairies has come up with a fine set of figures for the first half of the year to April. Pre-tax profits of £22.1m compare with a figure of £17.8m for the original Associated and Allied Retailers combined in the first half of 1978/79. This year's profits are struck after some — unspecified — additional depreciation but advertising spending fell £0.8m below budget as a result of the ITV strike, flattering the first half figures slightly.

The backlog of promotional spending will certainly be cleared in the last quarter as the group's price-cutting exercise gets under way. The message of the interim figures is that Asda is launching its new promotion from a position of considerable strength.

In the superstores, net margins have improved from 4.3 per cent to 4.6 per cent, partly through higher volume—6 per cent or so in the established shops—and partly because the sales mix has moved towards fresh foods and non-foods, away from the low-margin packaged groceries. New openings on the carpet side explain the bulk of the 47 per cent jump in Allied Retailers' trading profits to £4m. In the second half the group will have fairly heavy start-up costs to bear, but £50m pre-tax for the year should be within reach, leaving the shares at 172p on around 12½ times fully-taxed earnings.

From this base, Asda can comfortably afford to drop half a point off its gross margins in order to spearhead its drive for sales in the South of England—it expects to pick up enough new volume to allow net trading margins to be held. These tactics will disturb its competitors' cosy hopes of raising their gross margins to offset cost increases, and Tesco in particular, which is now running into high finance charges, is going to be inconvenienced. Asda's own shares look as attractive as anything in the food retailing sector, but the sector as a whole may remain under pressure for some time.

Swiss floating

The news that Credit Suisse is to resort to floating rate finance to raise long term Swiss francs in Switzerland seems symbolic. Not even the Swiss franc remains sacrosanct. The use of the floating rate note is a concession to uncertainty. It represents the easy way out when borrowers and investors cannot agree on the likely long term rate of inflation of the currency being raised. This is why floating rate finance now dominates the uncertain business of lending U.S. dollars.

Uncertainty has obviously motivated Credit Suisse to take this step. It clearly believes that the coupon of 5 per cent which it would have to pay on a fixed rate bond will prove excessive in the long term. But it cannot persuade investors to share this view. They, in turn, must be unnerved by the fall of over 2 per cent in the Swiss franc bond market over the past week—a fall unmatched even in the dollar bond market.

The Swiss central bank has apparently not moved, behind the scenes, to suppress this development. Its fellow hard currency central bank, the German Bundesbank, is known to frown upon floating rate instruments, regarding them as a form of indexation of inflation. Perhaps Credit Suisse's "floater" should be viewed as a trial balloon.

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UK spending fund

permanent officials.

There is no suggestion in the document of how much more the Community should spend in Britain. The final sum will almost certainly be left for negotiation between heads of government.

Before then it should become clear how many EEC members are ready to embrace the principle of creating a special section in the budget to boost Britain's receipts in the Community.

Broadly, the Commission will say that its proposals are in line with the instruction given by the Dublin summit in November to examine ways of funnelling more money into the UK.

A special fund to support government spending in Ulster on new roads, inter-city develops, regions of industrial decline, and to boost coal production would, it is claimed, be entirely in line with existing Community objectives.

How long the special arrangement would last is not clear. The plan adopted yesterday is believed to be vague on the question, though it does contain a review clause.

One Brussels official said that a suggestion for a three- or four-year time limit in an earlier draft was deleted from the document discussed yesterday after UK officials said that the whole argument might be renewed at just about the time of the next British General Election.

Any extra spending in Britain would be in addition to the £350m reduction on the contribution side, which most EEC States accept can be achieved by changes in the so-called financial mechanism.

- The Commission also discussed for the first time its proposals for farm prices increases to be negotiated in the next few months.

Mr. Finn Olav Gundelach, the Agricultural Commissioner, revealed some of his thinking, indicating that he would outline proposals for rises averaging 2 per cent, with lower increases for those products in surplus.

Schmidt postpones Honecker summit

BY OUR FOREIGN STAFF

THE PROPOSED summit between West German Chancellor Helmudt Schmidt and President Erich Honecker of East Germany will not take place this spring because the Berlin Government wants to "remain flexible" on a date.

The meeting proposed by Herr Honecker during a speech in the East German parliament last October. It was interpreted then as East Germany's contribution to the "peace offensive" announced on the same occasion by the Soviet President Leonid Brezhnev.

The invitation was accepted by Herr Schmidt, who recently announced that he still intended to meet both Herr Honecker and Mr. Brezhnev as planned inspite of the Soviet invasion of Afghanistan.

No firm date was fixed for either visit although it was assumed that both meetings would take place fairly early in 1980. A Bonn Government spokesman still hoped that the meeting with Herr Honecker would take place in the course of this year. This reflects the West German Government's long-held view that East-West German relations cannot develop if ties between the super-powers deteriorate as they have since the Soviet invasion of Afghanistan.

So far there has been no firm word on the Chancellor's Moscow trip but in the wake of events in Afghanistan West German ministers have either cancelled or postponed visits to Moscow, Prague and Warsaw.

A meeting of the joint Soviet-West German economic affairs committee, due to have been taking place now, has also been put off. Hopes that such trips and meetings will be able to go ahead at some later date are being steadily eroded by discussion over the Olympic games boycott.

Moscow seeks to turn away Third World wrath, Page 2

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